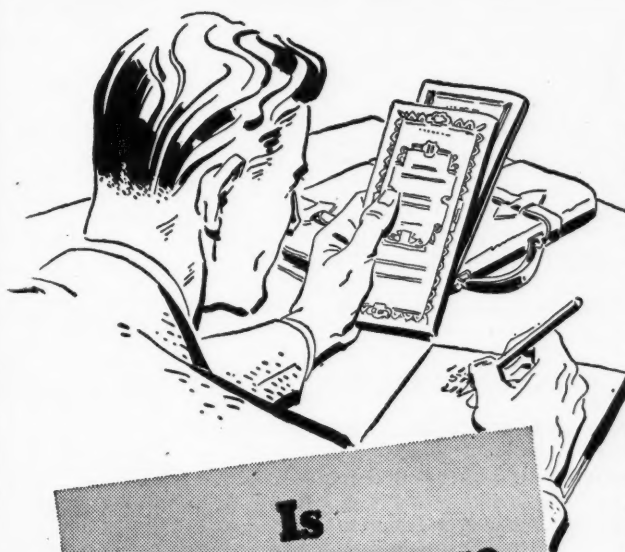


# The NATIONAL UNDERWRITER

## Life Insurance Edition



• Through many wars and depressions, life insurance has proved itself to be the investment on which the average man can rely.

Look at its record in the past:

**Is  
Life Insurance  
a Good  
Investment?**

**in 1921**

The post-war depression knocked the bottom out of security prices. But beneficiaries or policyholders in retirement receiving guaranteed incomes from the Great-West Life, were regularly paid in full just as if there had been no depression.



**in 1933**

In 1933 the man who owned real estate or a share in any business, could have obtained only a fraction of 1929 prices. But the guaranteed value of his Great-West Life policies did not change.



**in 1939**

The outbreak of the second World War again upset security prices. But the family of the man who died in 1939 received the full face value of Great-West Life Insurance policies.



Whatever happens, it is in your interest to keep your Great-West Life policies in force. They will never let you or your family down.



To prove the investment value of Life Insurance by quoting actual instances of how it has weathered economic storms in the past, is the purpose of the Great-West Life newspaper advertisement at the left, several portions of which are shown above. This is one of a strong series designed to assist the company's representatives in their work.

### THE GREAT-WEST LIFE ASSURANCE COMPANY

Head Office—Winnipeg, Canada

Business In Force - Over \$820,000,000

LIFE INSURANCE - ACCIDENT & HEALTH - GROUP INSURANCE

FRIDAY, SEPTEMBER 29, 1944



Through a simple but effective device—*The Controller*—Ætna Life Salesmen plan and execute their daily selling activities. A welcome task-master, this thoughtfully-designed sales ledger is one of many elements in Ætna Life's plan of organized selling. It is the initial step that the Salesman takes to set up a satisfactory selling system that brings telling results.

ÆTNA LIFE ORGANIZED SELLING



ÆTNA LIFE INSURANCE COMPANY

and affiliates

The Ætna Casualty & Surety Company

The Automobile Insurance Company

The Standard Fire Insurance Company

of Hartford, Connecticut

## Newberry Elected N.F.C. President at St. Louis

**Walter Below Advances  
to Vice-president  
at Annual Convention**

By **DALE R. SCHILLING**

Farrar Newberry, president of Woodmen of the World, Omaha, was advanced from vice-president to president of the National Fraternal Congress at the annual business meeting here. He succeeds Mrs. Grace W. McCurdy, head of Royal Neighbors, Rock Island, Ill. Walter C. Below, president of Fidelity Life, Fulton, Ill., was elected vice-president, which places him in line for president at the 1945 convention.



**Farrar Newberry**

Both have had distinguished records in fraternalism, having served their societies long and ably. Both are full-time executives and have established outstanding records for the success of their management. While they have had considerable experience in home office work they are well grounded in field work, and their administrations have been distinguished by notable sales strides of their societies.

### **Neprud Heads Field Managers**

N. K. Neprud, Lutheran Brotherhood, was elected president of the Fraternal Field Managers Association, succeeding Fred A. Johnson, Royal League. S. C. Holston, Woodmen of the World, Omaha, was named vice-president, and John E. Little, Maccabees, becomes secretary-treasurer. Mr. Little is past president. There was discussion of whether there should be any distinction between men and women in awarding the F.I.C. designation but no conclusion was reached.

V. P. Whitsitt, manager and general counsel of the Life Insurance Association of America, brought greetings from that organization. He said that while the usual open meeting had been cancelled this year he hoped that when they were resumed the association would again have the pleasure of welcoming a representative of the National Fraternal Congress.

### **Commissioners Take Part**

Two representatives of the commissioners association met with the Fraternal Actuarial Association Tuesday and discussed the fraternal mortality study which has been started. Some societies already have reported their experience. Roy Diepenbrock, actuary Missouri department, chairman of the commissioners' special committee on the mortality study, and Henry J. Sellman, actuary Tennessee department, member of the committee, expressed their views. Mr. Diepenbrock succeeded J. D. Reeder, former actuary Illinois department, as chairman.

A question discussed was whether the commissioners standard ordinary table should be made permissive for use by

(CONTINUED ON PAGE 11)

## Predicts 8 Billion in Ordinary Sales

**Buying by Women and  
Juveniles Shows Sharp  
Increase**

Ordinary life sales will total \$8 billion in 1944 or 26% more than the \$6,332,000,000 total in 1942, the Sales Research Bureau estimates. Women are buying 83% more life insurance than two years ago, accounting for 35% of the ordinary policies sold to adults compared to 25% in 1942, and 18% of the total sales compared to 12% in 1942. Sales to working women account for 79% of the sales to women compared to 69% in 1942.

Juvenile ordinary sales are up 80% since 1942. Sales to persons under 15 represent 22% of the total policies and 10% of the volume compared to 15% and 7%, respectively, in 1942. Of the total juvenile sales, 59% are to children under five and 28% under six months. Although there has been an increase in the size of juvenile policies, 83% are for an even \$1,000, 12% being over that amount this year compared to 8% in 1942.

The withdrawal of young men into the armed forces is reflected in the great decrease in purchases by males of ages 18-29. These ages showed a drop from 45% of total number of male purchases in 1942 to 21% this year. In the age group of 30 to 37, also within the draft age and still facing some uncertainty as to call at the time of the 1944 survey, purchases increased from 26% of the total in 1942 to 32% of this year's total. Purchases in the age 38 and over group increased from 23% in 1942 to 37% this year, while those in the age group of 15 to 17 increased from 6% in 1942 to 10% this year.

Purchases of retirement income policies increased from 4% of the total in 1942 to 7% this year, while endowment policy purchases increased from 16% in 1942 to 21% this year. At the same time, the purchase of term insurance dropped sharply, from 6% of all policies sold in 1942 to 4% of all sales this year. The various types of full life protection, including straight life, limited payment policies, family income plans accounted for 68% of this year's purchases.

The average size of all ordinary insurance policies sold this year is \$2,648 compared with \$2,443 in 1942. Eliminating the juvenile policies, the average adult purchase was \$3,060, compared with \$2,680 in 1942.

## Would Defer Converting U. S. Cover Until After War

WASHINGTON—The navy has issued a new manual of instructions for officers engaged in handling government life insurance matters with naval personnel. Based on circular letter previously issued, the manual, in nearly 50 pages, covers the subject from many angles, particularly as regards National Service Life, U. S. Government Life, and premium paying insurance allotments.

Included are tables of rates, benefits, etc., copies of approved forms for use, etc. Special instructions are set forth with respect to naval aviation cadets, student aviation pilots and aviation pilots, and U. S. Coast Guard enlisted reserve student aviation pilots and aviation pilots.

The navy strongly recommends that conversion of government term insurance into other forms of insurance be postponed until after the end of the war.

## Employees May Get Dividends Under 5% Plan: IRB

WASHINGTON—The internal revenue bureau has revoked a ruling of last May under the salary stabilization program regarding use and treatment of policy dividends on insurance for employees.

THE NATIONAL UNDERWRITER had submitted a question to the bureau and received a ruling, reported at the time. Later, however, it was understood the matter was receiving further consideration. The correspondent has just received a letter from A. D. Burford, deputy commissioner, text of which follows:

### **Letter from Burford**

"References is made to the letter addressed to you on May 9, 1944, wherein this office ruled that provided dividends on policy contracts are used to purchase additional insurance of the type upon which dividends were issued, such dividends would not be considered as salary, but that dividends used for any other purpose would be considered as salary requiring the approval of this office and that under no circumstances would this office approve the payment of such dividends in cash or the accumulation of such dividends at interest, where the accumulated account might be withdrawn at any time.

"This office has recently reconsidered the matter presented by you, and the ruling of this office, above mentioned dated May 9, 1944, is hereby revoked. Accordingly dividends on life insurance policies purchased by employers for the employees to the extent of 5% of such employees' salaries shall not be considered as salary requiring the approval of the salary stabilization unit.

"This ruling, it should be understood, is for salary stabilization purposes only."

## C.L.U. Society May Hire Executive Secretary

The educational committee of the Philadelphia C.L.U. entertained more than 45 prospective C.L.U. candidates at a meeting that was addressed by James E. Bragg, Guardian Life, New York, president American Society of C.L.U.; Irvin Bendiner, New York Life, Philadelphia, and Fred W. Floyd, educational committee chairman.

The Philadelphia chapter committee chairmen entertained Mr. Bragg at a luncheon. Mr. Bragg said it is planned to hire a full time national executive secretary, and to issue a monthly bulletin from national headquarters.

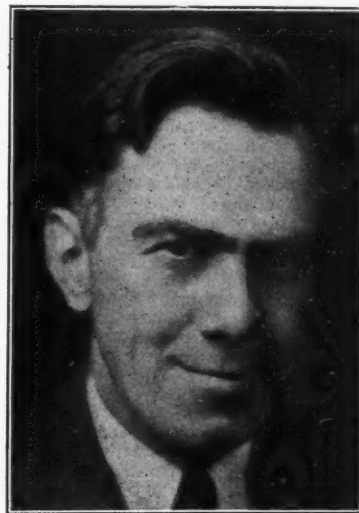
## Policy Loan Ratio Is Lowest Since 1900

Policy loans outstanding at mid-year reached a record low for the past 15 years and the ratio of policy loans to total policy reserves is now the lowest since 1900, according to the Institute of Life Insurance. By June 30, total policy loans had dropped to approximately \$2,100,000,000 from the peak of \$3,800,000,000 reached in 1932, at the bottom of the depression, and the loan ratio had dropped to 6.1% from the depression high of 21.3%. By December it is expected the loan total will have declined to about \$2 billion, over a billion less than at the start of the war, and the loan ratio to 5.6%.

## Crippen Is Named L. O. M. A. President at Boston Parley

**Home Office Problems  
Viewed—Foskett  
Elected Vice-president**

BOSTON—The Life Office Management Association at its annual meeting here elected the following new officers: President, Lloyd K. Crippen, vice-president and actuary Acacia Mutual; vice-president, Horace K. Foskett, vice-president Equitable Life of Iowa; directors, R. C. Kneill, vice-president Reliance Life; Raymond Hayes, State Mutual;



**LYOYD K. CRIPPEN**

Peter McDonald, Crown Life of Canada; Stuart J. Blashill, Ohio National.

James B. Slimmon, vice-president and secretary of Aetna Life, presented the retiring president, Edmund Fitzgerald, vice-president Northwestern Mutual, a suitably inscribed gavel.

Gearing life management operations to 1944-45 conditions was the theme of the gathering attended by 360 life company executives. Vice-president Charles J. Dimand of John Hancock welcomed the visitors and President George Willard Smith was host Tuesday afternoon when the delegates inspected the new home office building of New England Mutual.

Announcement was made of a new member, Universal Life of Texas, bringing the total company membership to 161.

Tuesday and Wednesday sessions were devoted to panel discussions in which plans for placing returning war veterans and new office processes and procedure were discussed as well as public relations and post-war problems.

## NEW PROCEDURES

John M. Brown, assistant secretary of Canada Life and chairman of the L.O.M.A. office planning and equipment committee described a number of specific labor saving procedures and adaptations of mechanical equipment reported to the committee during the past year.

(CONTINUED ON PAGE 10)



## Life Business Affected More Than It Believed

### Harrington Explores Possible Effects of Supreme Court Decisions

CINCINNATI—A warning that the life insurance business may not be as safe from prosecution by the Department of Justice under the federal anti-trust laws as it believes itself to be was expressed here by Commissioner C. Harrington of Massachusetts at a meeting of the Cincinnati chapter of Chartered Life Underwriters. About 240 attended, including members of the C.L.U., officers and representatives of all the other insurance interests, life, fire, and casualty, association and company officials, bankers and prominent business men. John A. Lloyd, vice-president of Union Central Life and former Ohio commissioner, introduced Mr. Harrington, and B. O. Stoner, manager of Connecticut General Life and head of the Cincinnati C.L.U., presided.

Mr. Harrington called attention to the temporary national economic committee's monograph 28, which stated "that the principal legal reserve life insurance companies have entered into formal agreements and gentlemen's understandings to fix the rates of ordinary insurance, group insurance, reinsurance, and annuities as well; and have, by intercompany conferences, established a uniform basis for surrender values, settlement option provisions and the underwriting of large risks. In addition, they have sought to control the transfer of business as between one another, to regulate the exchange of medical information and to control commissions and agency practices. . . . The evidence is adequate to demonstrate that as a result of these activities, competition has been seriously limited in many important areas of the business."

In view of this statement, Mr. Harrington said, "if all of the practices discussed have not been changed, action by the Department of Justice might be instituted against a group of insurance companies, their agents, or cooperating bureaus, alleged to have entered into a conspiracy to violate the Sherman or Clayton acts. It would be well for the life insurance business to reexamine all of its cooperative activities and to decide whether or not practices hitherto legal under state laws should be abandoned or changed," he said.

"Only last week," he continued, "the national council of the National Association of Life Underwriters protested against relaxation of the present agency practices agreement with respect to the licensing of part time agents in urban centers. While this protest is well intended and distinctly in the public interest, continuance of the agreement should be carefully considered in the light of the application of the anti-trust

(CONTINUED ON PAGE 21)

### No Attendance Limit

Registration for the business insurance training course lecture and forum sessions sponsored by the New York City Life Underwriters Association starting Oct. 26 closes Oct. 5. Attendance at the forum discussions on the week following the lectures will be limited to 25. Attendance at the lectures is open to all members who register. No limitation has been placed on lecture attendance as was incorrectly stated in the article on the course last week.

## Give Majority, Minority Reports on Walter Bill

The majority report of the Senate judiciary committee favoring passage of the Walter bill to exempt insurance from the federal anti-trust acts, asserts there is no foundation for the charge of the Department of Justice that the proponents of the bill, under the guise of preserving the rights of the states, seek to weaken federal anti-trust laws by exempting a great business from their operation. The majority states there is no foundation for such a charge since insurance has never been subject to the anti-trust laws.

"Rather," the report states, "it would seem that the Department of Justice, by criminal prosecution, seeks to displace state regulation with federal regulation by having federal anti-trust laws made applicable to insurance, thereby destroying state regulation."

The report expresses the belief that Congress does not desire that the federal anti-trust laws be applied to insurance even though Congress itself should deem it necessary or expedient to regulate insurance and this for the reason that insurance is unique and requires cooperation and accord forbidden by federal anti-trust laws.

### Avoiding Conflict Between Laws

The bill does not disavow any constitutional power in Congress nor does it prevent the Supreme Court from declaring any constitutional power in Congress. "Certainly," the report states, "if Congress has the power to regulate the insurance business it also has the power, if it sees fit, to permit that regulation to continue through the states. The bill is to permit such continuance without conflict between state and federal laws."

The majority report points out that the Department of Justice takes the position that the recent case of Parker vs. Brown precludes the necessity of enacting the Walter bill in order to preserve state regulation. The report states that Parker vs. Brown dealt with a state commission authorized by state statute to enforce a program in conformity with, if not supplementary to, a federal statute. Obviously, the report states, all state regulation concerning insurance does not and would not fall in such a category.

The Department of Justice also urged, according to the report, that the federal government should interfere with state regulation where the latter is not adequate, according to a standard determined by the Department of Justice. The committee is not impressed by such argument, the report states. If the states are to be permitted to regulate they should be permitted to regulate as they each see fit.

### Should Not Be Circumscribed

"The committee believes that in considering the nature of the business of insurance, its closeness to policyholders in the several states, the established systems of regulation and control by the states and the experience and attitude of state insurance commissioners on regulation by the states should not be circumscribed by the establishment of any control over their power of regulation or the exercise by them of that power."

"Even though Congress has been declared to have the right to regulate insurance and may wish to exercise that right, the committee feels that the standard of regulation at present should not include the prohibition of the Sherman and Clayton acts as urged by the Department of Justice."

"The committee concurs in the views expressed in the U. S. Supreme Court decision in Osborn et al. vs. Ozlin et al. and feels that Congress should not permit a broadening of the anti-trust laws which will result in rendering insurance open to the caprices of free competition for it is as a matter of common knowl-

edge to those who are informed that insurance is something quite different from the ordinary commercial transaction. Essentially it is a personal promise of indemnity by the insurer to the insured. It is not a commodity grown, produced, manufactured, transported, or traded in at market. Uniformity as to rates, forms of policies and the like is not only desirable in insurance but is necessary if the business of insurance is to be conducted to meet the needs and requirements of all businesses and all persons."

### Precedent Smashing Decision

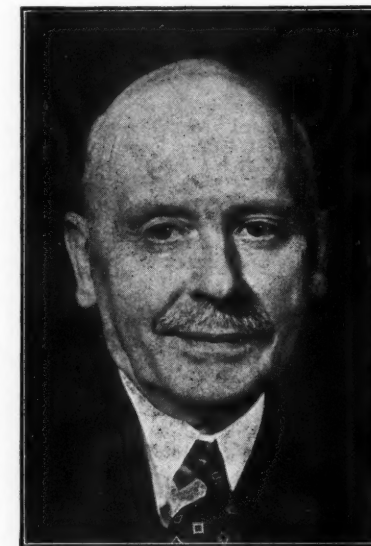
The committee stated that the safeguards which offer protection for every home and almost every life in America "have been disturbed by the precedent smashing decision" of the Supreme Court in the S.E.U.A. case. The Walter bill if enacted will set at ease the disturbing uncertainties caused by that decision.

The contention that the passage of the bill will deprive labor of certain rights is a false supposition, the majority report states.

The report points out the states have regulated insurance for more than 90 years and although the Sherman act has been in effect for more than 50 years heretofore no federal department or agency has sought to apply the federal

(CONTINUED ON PAGE 21)

## In Service 55 Years



CARL HEYE

Officers of Guardian Life were luncheon hosts to Chairman Carl Heye on his completion of 55 years of service with the company. Uresident James A. McLain presented Mr. Heye the 55th anniversary pin and recalled his contributions to the growth of the company. R. C. Neuendorffer, second vice-president, and Robert McDowell, manager mortgage department, also spoke.

Mr. Heye served as the company's fourth president for 19 years until 1940, when he declined reelection, to be succeeded by President McLain. He entered the company's employ as a clerk in the actuarial department in 1889. He became assistant secretary in 1898 and was promoted successively to secretary and vice-president and secretary. He was elected president in 1921. His service to the company spans the lives of each of its five presidents, having begun nine years before the death of its first president, Hugo Wesendonck, in 1898. He has been chairman since his retirement as president in 1940.

## A. L. C. Annual Meeting Schedule Is Announced

### Luncheon on Tuesday Starts Off Streamlined Three-Day Parley

The American Life Convention's annual meeting in Chicago Oct. 3-5 at the Edgewater Beach Hotel will open with a luncheon Tuesday at which A. H. Williams, president Federal Reserve Bank of Philadelphia, will discuss "Debt, Insurance and Progress." An executive session will be held Wednesday evening and new officers will be installed at the final session. The schedule for the formal sessions which start Tuesday afternoon follows:

#### TUESDAY AFTERNOON

President's Report, James A. McLain, president Guardian Life.

Introduction of Robert L. Hogg, manager and general counsel American Life Convention, by President McLain.

Legal section presents S.E.U.A. decision round table with the following participants: Berkley Cox, Legal Section chairman, associate counsel Aetna Life; Robert Dechert, counsel Penn Mutual Life; Powell B. McHaney, vice-president and general counsel General American Life; George E. Walton, title attorney Metropolitan Life.

Report of joint committee on cooperation with insurance commissioners by Chairman Leroy A. Lincoln, president Metropolitan Life.

#### WEDNESDAY MORNING, OCT. 4

Agency Section report, Chairman Ray E. Fuller, agency vice-president Equitable Life of Iowa.

"War Settlements," Valentine Howell, vice-president and actuary Prudential.

Reports on committee on joint activities, Chairman A. J. McAndless, president Lincoln National Life; and on Financial Section by Chairman Paul E. Fisher, treasurer Indianapolis Life.

Address, Commissioner Newell R. Johnson of Minnesota, president National Association of Insurance Commissioners.

#### Luncheon

"The Business Man Looks South of the Border," Joseph C. Rovensky, vice-president Chase National Bank of New York.

#### WEDNESDAY AFTERNOON

Reports of aviation committee, Chairman James E. Hoskins, assistant actuary Travelers; and Industrial Section, Chairman J. R. Leal, vice-president and secretary Interstate Life & Accident.

"Life Insurance in Action," Major Daniel J. Reidy, A. G. D., U. S. Army.

Reports of valuation of assets committee, Chairman F. W. Hubbell, President Equitable Life of Iowa; and departmental supervision committee, Chairman Ray B. Lucas, general counsel Kansas City Life.

"Committee for Economic Development: Taxation and Other Problems," Theodore O. Yntema, research director Committee for Economic Development, Chicago.

#### THURSDAY MORNING, OCT. 5

"The Two Canadas," B. K. Sandwell, managing editor "Saturday Night," Toronto.

Report of social security committee, M. Albert Linton, acting chairman, president Provident Mutual Life.

Address, Frank P. Samford, president Liberty National Life.

## Management Schools in '44 Produce 182 Graduates

The alumni roster of the schools in agency management, conducted by the Sales Research Bureau, has been increased by 182 as a result of 1944 operations. The total of those who have completed the two-week course since it was established in 1929 is 2,236.

Better than three-fifths of the 1944 group were either managers or general agents and the balance almost equally divided between supervisors and other agency assistants and agency department officials. They represent 50 companies, 38 states, and four Canadian provinces.



## No Action on States Rights Bill Until After Election

### Eyes on Chicago Parley of Commissioners and Industry This Week

WASHINGTON—The fate of the Bailey-Walter insurance states rights bill must await the return of Congress after the November election. That body went into a "political" recess last week after passing reconversion legislation and receiving the Senate judiciary committee's recommendation that the Walter bill be passed.

What will happen after election is almost anybody's guess. It is believed, however, much will depend upon the outcome of the insurance commissioners' committee meeting in Chicago late this week, and upon the November election. Some observers here speculate whether the commissioners will wonder whether in view of the Senate committee having disregarded their request for a conference on the N. A. I. C. legislative program, it will be worth while carrying on.

While the Senate committee did pay no attention to Commissioner Harrington's request for time, some observers here believe the commissioners made a mistake in not having submitted their recommendations with supporting material formally to the committee immediately after their hearings and the St. Louis meeting at which the program was adopted. Apparently the views of the N. A. I. C. were not received by the judiciary committee until the day on which it ordered the Walter bill out. On that day a copy of the N. A. I. C. report was submitted with a letter from Harrington of Massachusetts, chairman of the interested N. A. I. C. committee. The committee however, was then in no mood to read and digest the N. A. I. C. report.

The bill can not come up, in the ordinary course of events, for consideration in the Senate until mid-November. Talk around the judiciary committee is that Senate consideration may be given possibly in November or December.

### Influence of McCarran

Whether the bill will be called up in the Senate in November or December will depend to a considerable extent upon Senator McCarran, judiciary committee chairman, it is believed. If he wants to push it, he can do so. Insurance observers believe that following the report from his committee, he could have pushed the bill on the Senate floor and perhaps gotten it passed, in the pre-recess and pre-election mood of the Senate.

Practically synchronizing with the meeting of its new insurance committee, the U. S. Chamber of Commerce, reviewing the insurance situation with respect to the court decision, the Department of Justice, Congress and the N. A. I. C., says that the Senate committee report following House passage of the Walter bill "definitely shows congressional intent to stop the trend of the Justice Department in anti-trust matters."

The chamber calls attention that the department has attacked railroads, the chemical industry and the press, as well as the insurance industry, under the anti-trust laws and that "the Supreme Court has shown a definite tendency to expand the federal powers by broadening the scope of the commerce clause

(CONTINUED ON PAGE 23)

## F. E. Huston Joins Shenandoah Life as Actuary

F. Edward Huston, secretary and actuary of the American Life Convention for six years, has been named actuary of Shenandoah Life. He succeeds C. A. McConaghy who recently resigned, and



F. EDWARD HUSTON

will assume his new position in November.

Mr. Huston is a graduate of Willamette University and was a part time instructor in mathematics and actuarial science at the University of Washington. He is an associate member of both

(CONTINUED ON PAGE 22)

## Hopf Tells L.O.M.A. How to Boost Executive Efficiency

BOSTON—Too often there is a considerable gap between what executives actually accomplish and what they could accomplish, and the most promising single means of utilizing this margin is to establish an organizational structure that conforms to the known principles of scientific management, Dr. Harry Arthur Hopf, president Hopf Institute of Management, declared at the annual meeting of the Life Office Management Association here.

It happens too frequently, said Dr. Hopf, that the organizational structure of life companies is built around the individual executives, reflecting their desires and capacities, rather than being built on sound principles with the best men being found to fill each type of executive post. The result is needless inefficiency, frequently overlapping authority, more than one executive O.K. required for too many decisions and, when conditions finally become intolerable, a reshuffling of responsibilities that is unsettling and harmful to morale and still does not come much closer to being scientifically sound than the previous setup.

### Sets the Stage

However, with sound leadership, fortified by seasoned experience and backed by a correctly devised and effectively operating plan of organization the stage is set for the development of increased executive capacity, said the speaker.

To go on to the next step, Dr. Hopf said, it is essential to realize that in recent years vast changes have occurred in the composition of the executive task, the requirements imposed on its performance and the intellectual, experiential and emotional qualities brought into play by members of the administrative and managerial groups. The more im-

portant of these are (1) development of the art of management to the point where it rests on a scientific foundation supplied by codified principles and techniques upon whose consistent utilization is predicated the attainment of increasingly effective operative results; (2) the gradual emergence of a semi-professional class of executives or practitioners, distinguished by their ability and inclination to think in terms of management as applied to the several responsibilities with whose performance they are charged; (3) growing acceptance of the fact as the managerial task rises in the scale of importance it sloughs off its technical characteristics and assumes more and more the essential aspect of planning, organizing, coordinating and controlling; (4) substitution for the type of cellular thinking formerly in vogue of qualities of objectivity and perspective which will regularly succeed in relating the part to the whole and thus in producing a higher order of administrative and managerial decisions.

### Up to Younger Executives

Life insurance, Dr. Hopf said, is, by and large, still at the earlier stages of sensing the significance of these changes and consciously experiencing the force of their impacts.

"It will unquestionably constitute one of the major responsibilities of the younger generation of executives, co-operating under the aegis of this association, to exert its combined influence to the end that a more rapid tempo of infiltration be accomplished," said Dr. Hopf.

The third and final step relates to the larger objectives which confront life insurance management with peculiar emphasis under current conditions of extreme dislocation and in the face of the implications of a disturbingly uncertain future. If consonance would be the objective, executive capacity must be expanded well beyond such requirements so that it will be equal to the assumption of burdens that are found to become more severe with the passage of time.

Of particular significance are the following objectives, according to Dr. Hopf: (1) acceptance of the doctrine of the optimum of size in place of adherence to purely quantitative considerations pertaining to volume; (2) substitution of valid measures of determination of progress for the uncritical and often inept and biased methods of appraisal of accomplishment in use; (3) purposeful and rigorous application of inclusive concepts of control with the aid of instruments and techniques such as operating standards, budgetary procedures, standard costs, forecasting and break-even point determination; (4) freeing of members of the managerial and operative groups from the influence of top-heavy organizational relationships which so often translate themselves into unjustifiably extended patterns of joint action.

### LISTS 12 TRAITS

While not intended to apply to all companies nor pertaining in their entirety to any one institution, Dr. Hopf lists the following observations with regard to the capacity of life company executives, the character of certain of their viewpoints and the nature of some of the influences with which they are surrounded in the exercise of their responsibilities: (1) An exceedingly keen sense of fidelity to the finest implications of trusteeship; (2) a high order of competence in the complicated technical phases of the business; (3) strong faith in the value of continuing service in one or more functional classifications as adequate preparation for ultimate assumption of the highest administrative or managerial responsibilities; (4) an abiding belief in the value of great and

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## William Penn as Advertiser

Within a month after William Penn had been granted the Province of Pennsylvania, in 1681, he published a pamphlet prospectus "made public for the information of such as are or may be well disposed to transport themselves or servants into these parts." Thus he began history's first advertised plan to recruit colonists for a great settlement in America.

He described the place as "six hundred miles nearer the sun than England," (by latitude) told how "by the blessing of God and the honesty and industry of man it may be a great and fruitful land," enumerated the natural advantages and the channels of trade, described the types of people most fitted for plantations, and told of the cost and equipments for the journey, "that such as incline to go may not be to seek cheer or brought under any disappointments there."

Penn wrote what the business world of today would call "sales promotion," and did it so successfully that 200 years later an author wrote of Penn's plan for allotments of land and dividends as "very closely followed today in Eastern Europe to promote the sale of government bonds."

America celebrates in 1944 the 300th anniversary of the birth of William Penn, a great man in American history to whom the whole world is indebted.

1644-1944 WILLIAM PENN TERCENTENARY

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Insurance Public Relations at Stake in Pension Plans

**Meyer Goldstein**  
**Emphasizes Importance of**  
**Soundly Conceived Setups**

NEW YORK—The public relations aspect of pension trust plans is of great importance to the life insurance fraternity and the establishment of soundly conceived plans is fundamental in this respect, Meyer M. Goldstein, general agent Connecticut Mutual Life and director of Pension Planning Company, New York, told the Middtown Managers Association. Employers who have es-



M. M. GOLDSTEIN

ablished sound employee benefit programs find they improved employee morale, increased employee efficiency, reduced labor turnover, and minimized strikes. If they are not properly designed, they could well have the opposite effect. In the post war period, pension plans will pay increasing attention to their labor relations aspects.

### Points for Employer Consideration

A pension plan never has to use the services of a life insurance company. There are two things life insurance companies do best, however, especially in small and medium size organizations: Provide a death benefit before retirement and provide life annuities at retirement age. Generally there are not more than 25% of employees included under a broad coverage plan who are apt to become retirees under the retirement feature and the figure is closer to 10%. A combination ordinary life and self administered plan insures greater flexibility and continuance and permanency in the post war period.

An employer should consider the following points:

High benefits mean high costs during the first year of the plan and most particularly in subsequent years.

It is easy to increase benefits to employees, but difficult to decrease benefits once established.

Employer should weigh carefully the labor relations aspects associated with the elimination of employees from a plan.

Likewise an employer should think twice before providing relatively different benefits for the lower compensated

(CONTINUED ON PAGE 23)

## IRB Issues New Pension Service Rulings

WASHINGTON — A pension plan does not fail to meet the requirements of Section 165(a), internal revenue code, because it provides that employees' contributions shall be first applied to cost of the life insurance feature contained in annuity contracts, the internal revenue bureau has held in Pension Service ruling 32.

PS 33 gives illustrations of definite formulae under profit-sharing plans which take into consideration variations due to business changes.

PS 32 says:

Advice is requested whether a pension plan requiring contributions by participating employees equal to 5% of their respective salaries and under which benefits are provided through the purchase of individual annuity contracts with a life insurance element, may qualify under the provisions of section 165(a) of the internal revenue code, as amended, if it provides that the contributions of the respective participants shall be first applied to the cost of the life insurance element and the balance to the cost of the annuity feature.

In order that a pension plan may meet the requirements . . . it is necessary that contributions or benefits provided under the plan do not discriminate in favor of officers, shareholders, persons whose principal duties consist in supervising the work of other employees or highly compensated employees. The application of the participants' contributions first to the cost of the life insurance element will not generally be considered discriminatory, since such application does not affect the total employer contribution to the plan for the benefit of such participants.

PS 33 says: Reference is made to I.T. 3661, 1944—I.R.B. No. 10, page 13 and advice is requested whether a formula under a profit-sharing plan which takes into consideration variations due to business changes may be considered a definite formula.

A formula that may be applied mechanically and does not involve factors which are subject to a discretionary determination is definite. This, however, does not require an inflexible formula in which none of the factors vary under any conditions. A variable factor may be introduced into the formula provided its value is definitely determined by actual conditions and does not depend on discretion. For example, it may be desirable to contribute a certain percentage of profits in any event and greater percentages as the profits increase provided that the applicable percentage does not

exceed the allowable deduction under section 23(p)(1)(C) of the internal revenue code. The formula may provide for contributions on such a basis. Exhibit "A" hereof is an illustration of allowable contributions under a formula based on graduated percentages of profits but limited to 15% of total compensation. On the other hand, it may be desired to contribute a large percentage of profits below a certain amount and decreased percentages as the profits increased provided that the applicable percentage does not exceed the allowable deductions under section 23(p)(1)(C). Such a formula may similarly be acceptable. Exhibit "B" hereof is an illustration of allowable contributions under a formula based on declining percentages of profits but limited to 15% of total compensation.

### Railroad Retirement Act

In reply to request for advice as to what provisions are acceptable in a pension or annuity plan supplementing the railroad retirement act established by an employer covered by that act, the internal revenue bureau has issued PS 34.

A plan supplementing the railroad retirement act and excluding employees earning \$3,600 or less and in which the employer makes all the contributions may be considered properly integrated with that act if it provides monthly benefits to begin at age 65 equal to the higher of the following amounts: (1) 10% of average monthly compensation in excess of \$300 for each year of service with the employer, and (2) \$20.

### Employee Contributions

If the plan provides for employee contributions, the maximum benefit rate described in the previous paragraph may be increased by .1% for each 1% of employee contributions. For example, a plan which provides for employee contributions of 5% of the compensation in excess of \$3,600 annually will be deemed properly integrated if the monthly benefits do not exceed 1% of average monthly compensation in excess of \$300 for each year of service with the employer prior to participation in the plan plus 1½% of monthly compensation in excess of \$300 for each year as a contributor under the plan.

In applying the above-mentioned benefit rates the only years of service to be counted are those rendered for the employer or affiliated employers whose employees are covered by the plan.

In determining average monthly compensation for years prior to the effective date of the plan, the average monthly compensation for a period of at least five consecutive prior years should be used, except that in cases where the period of prior service is less than five years, the average, for the entire period of prior service should be used.

### Exhibit "A"

Case	Total Compensation	Annual Profits	15% of Compensation	Graduated Percentages	Percentages of Profits	Contribution (Lesser of (4) or (6))
A.....	\$500,000	\$100,000	\$ 75,000	5% on 1st \$100,000	\$ 5,000	\$ 5,000
B.....	500,000	200,000	75,000	10% on 2nd 100,000	15,000	15,000
C.....	500,000	300,000	75,000	15% on 3rd 100,000	30,000	30,000
D.....	500,000	400,000	75,000	20% on 4th 100,000	50,000	50,000
E.....	500,000	500,000	75,000	25% on excess 100,000	75,000	75,000
F.....	500,000	600,000	75,000	25% on excess 100,000	100,000	75,000

### Exhibit "B"

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Case	Total Compensation	Annual Profits	15% of Compensation	Declining Percentage	Percentage of Profits	Contribution (Lesser of (4) or (6))
A.....	\$500,000	\$100,000	\$ 75,000	25% on 1st \$100,000	\$ 25,000	\$ 25,000
B.....	500,000	200,000	75,000	20% on 2nd 100,000	45,000	45,000
C.....	500,000	300,000	75,000	15% on 3rd 100,000	60,000	50,000
D.....	500,000	400,000	75,000	10% on 4th 100,000	70,000	70,000
E.....	500,000	500,000	75,000	5% on excess 100,000	75,000	75,000
F.....	500,000	600,000	75,000	5% on excess 100,000	80,000	75,000

## English SS Plan Causes Insurance Shares Loss

Following announcement of the government's extensive social insurance plan, industrial insurance shares dropped sharply on the London stock exchange. In England, insurance companies and approved societies administer the national health insurance plan and their threatened freezout under the white paper knocked Prudential Assurance "A" down \$11.54 a share to \$89.44; Pearl \$6 to \$53.26, and London & Manchester \$2.50 to \$56.28.

## Harold Flitcraft Joins Hospital Service Plan

Harold W. Flitcraft, editor of the "Life Insurance Courier" of Oak Park, Ill., has severed that connection to join the hospital service plan commission of the American Hospital Association as director of research. His duties at the association's headquarters in Chicago will include analysis and administration of Blue Cross hospital insurance. Mr. Flitcraft has been with the "Courier" organization 20 years in an editorial capacity. His brother, Stanley

## Reinstatement of Returned Service Men Is Explained

**Legal Rights of**  
**Former Employees**  
**Are Set Forth**

BOSTON—The unmistakable purpose of the reemployment provisions of the selective service law is that men who have served in the armed forces shall not be penalized economically, Stanley V. Jacobson, assistant counsel of Northwestern Mutual Life, declared before the Life Office Management Association here. "Congress has declared that America's soldiers should never again find themselves both fighting the war and losing their jobs. The man whose draft board handed him a ticket to years of sacrifice and separation from family should not rely upon moral obligation alone. He should have the legal right to request and receive his old job," Mr. Jacobson asserted.

In devising the provisions of the selective service law Congress kept them at a minimum, merely assuring the service men of fair treatment, Mr. Jacobson pointed out. In seeking a proper balance, Congress did not unduly penalize or benefit either the employer or employee.

### Litigation Inevitable

It is too much to expect that reemployment can be accomplished without litigation, Mr. Jacobson said. Some of the problems presented by the act will be so disputed that only the courts can supply the answer. Already the United States district court in Kentucky in Hall vs. Union Light, Heat & Power Co., 53 F. Supp. 817, held an employer liable for back pay even after reinstatement because it was improperly delayed. The serviceman was entitled to immediate reinstatement, not at the convenience of the employer, the court held. To enforce their rights, servicemen are entitled upon request to the assistance of the United States district attorney. Consequently employers should be highly certain of their ground before attempting to disestablish any of the employee's rights in a court of law. It is essential that the employer be familiar with the law in order to avoid misunderstanding embarrassments. Employers should make reemployment a matter of voluntary action and the public expects employers to give at least what the law allows and give it graciously.

In a comprehensive review of the provisions of the law Mr. Jacobson said the measure which was enacted in 1940 was originally intended to protect those who were to be away from their jobs for only a short period. The war has changed all this and supplying jobs during the reconversion period will be no easy task. Insurance companies, with more stable personnel policies and the permanency of employment relationships, will find it easier to comply with the law than other businesses. Reemployment provisions primarily affect home office employees and field employees of home office status. All men and women in the armed forces and the merchant marine actively serving after May 1, 1940, are protected. Only employees that have left employment to enter military service are covered under the provisions of the act. Those who went into defense plants and later entered service have no rights.

(CONTINUED ON LAST PAGE)

G. Flitcraft, is president of that organization.



## More Emphasis on Service Needed, Johnson Declares

### Distribution System Must Be Revamped to Meet New Situation

NEW YORK—Life insurance has passed beyond the promotional stage to that of public acceptance and as a result it is imperative that more emphasis be placed on service and that agents' compensation and work programs be revamped to meet this new phase of life insurance development, Holgar J. Johnson, president Institute of Life Insurance, declared before the Sales Research Bureau's new committee on agency management. Mr. Johnson was the first guest consultant to appear before the group under its program to invite leaders from both the field and home office, qualified by varying backgrounds of experience, to outline their thoughts and ideas as to how agency management may be improved. The committee considers and sifts the material presented on the following day, and then makes available to the business such portions of it as the committee feels can be helpful in contributing to more efficient agency management.

#### Reappraise Distribution

Mr. Johnson urged the necessity for reappraisal and reshaping of distribution and sales procedures so that life insurance can be equipped to service more fully the insurance needs of the nation and the specific needs of the individuals. Life insurance has passed beyond the promotional stage to that of public acceptance, Mr. Johnson said in emphasizing the importance from the public relations standpoint of making more specific the responsibilities of sales and service.

"If you could all think of life insurance as representing a great social service to the nation built by individual initiative and thrift, we would see it in quite a different light than primarily a creature of finance," Mr. Johnson said. "Its real function is protection against the misfortunes of life, and thus it is essentially a social instrument." Thus, he emphasized, "we are obligated to give it the greatest possible distribution."

"This may mean the development of new methods, perhaps greater mass distribution, or other plans to provide more life insurance protection for all economic levels at a cost they can bear, that may for the time being seem to be contrary to our traditional procedures."

#### More Adequate Coverage

In seeking out the most effective means to spread the benefits of life insurance in the public interest, efforts should be made to find more adequate types of coverage than are now being used. He suggested complete family coverage, for example. Research is needed to discover what the public needs,—not just to create "a market for what we wish to sell based on traditional patterns."

Under present distribution the agent is the key, but in the final analysis leadership must come from the home office agency executive and the success or failure of the agent in his relations with the public must eventually fall where it really belongs, on home office management.

"If we are to put the agent in the position of being a true service representative along with his sales work," Mr. Johnson pointed out, "we have a major public relations job of finding a

solution to our compensation system so that he can actually do the service work. We must then do an educational job with the public to bring to the public's attention the fact that the agent is compensated for his service work as well as sales as the public looks upon the agent as primarily a salesman getting his primary compensation for his sales work; and his service relationship is subject to a secondary position in the public mind."

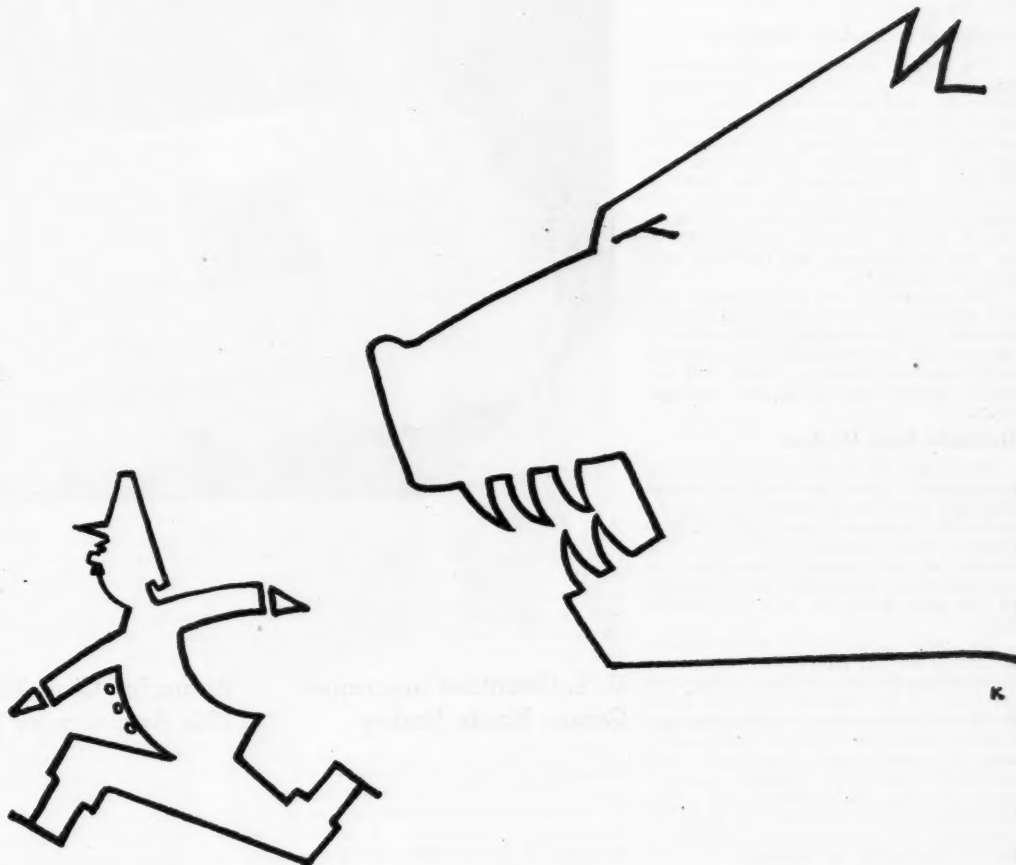
While in theory the renewal commission is for service, Mr. Johnson said that even in the business it is not looked upon as anything but sales compensation, "so why should we expect the public to think any other way about it?"

In order to put the agent in his proper perspective with the public as a service representative, and to put the company in a position to control the public contact, the agent should be compensated on a basis of fixed income plus incentive commission. The fixed income should be determined by a number of factors, including that of being responsible for the servicing of a specific volume of business where such business is available, or in lieu of such business to service for a natural promotion of the company's interests in new areas of possible future production, Mr. Johnson suggested.

With the acceptance of life insurance as a necessity "to our modern economic

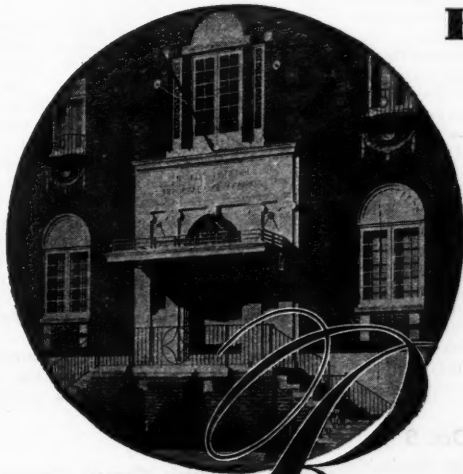
and family security, it becomes advisable that the management of our life companies be in a position to control the type of service rendered to its policyholders—and be sure that the contacts made with the public are such that they build permanent good will over and above everything else."

Among the responsibilities that such control and supervision presupposes on the part of the home office, Mr. Johnson said, are the development of selling and customer relation policies under which the agency system functions; leadership and responsibility for the distribution policy of the company and for maintaining a proper cost of distribu-



## BREAKING RECORDS

Just like the Big Bear broke all records running Hitler out of Russia, our Field Men are consistently breaking production records. For example, for the first seven months of this year they paid for 37% more business than a year ago. With our liberal agency contracts, out-of-the-ordinary sales bonuses and liberal retirement plan, they have no fear for the future.



# Bankers

## NATIONAL LIFE Insurance Company..Montclair, N.J.

Ralph R. Lounsbury, President  
W. J. Sieger, V. P. & Sup't. of Agencies

tion in addition to the premium collected; responsibility for the selection of successful managers and agents and for their training; for marketing techniques and research and for the actual way in which life insurance is presented to the public.

To establish such a program "calls for the highest kind of leadership and cannot be attained by regulation alone," Mr. Johnson emphasized.

"Take the agent into your confidence. Make him a partner. See that he knows what your companies' policies and objectives are. Tell him before you change a major policy so that he can help you translate it to the public. This is important, for he is your strongest ally in building good public understanding. He needs your leadership and will respond for the best interest of life insurance and the public."

#### Worthington Explains Objectives

The over-all objectives of the committee will be to search for fundamental principles and procedures currently being used in the successful development of full-time career men, Chairman William P. Worthington pointed out. While it is recognized that there is need for similar study of management relations to part-time agents and brokers, it is felt desirable to concentrate on the problem of the full-time man first, he explained.

The purpose is not to emphasize any one plan of operation that would be applicable to all companies, but rather to uncover specific principles of operation, and stimulate thinking, which will improve general over-all agency management.

#### Holcombe Sums Up Aims

Practically all observers of life agency management agree that both the results achieved and the methods used can be materially improved, says John M. Holcombe, Sales Research Bureau. The success of the bureau's committee on compensation, stimulated the formation of the new group to cover a broader field.

The new committee's responsibility, according to Mr. Holcombe, is to study more efficient and effective selling and servicing of life insurance for the benefit of the public,—more skillful and economical home office agency management and direction,—more intelligent and productive sales and business management in the field,—better and wider knowledge of the principles of good organization and sympathetic handling of the human factor in business.

#### Dewey Recommends SS Base Be Expanded

In his talk at Los Angeles, Thomas E. Dewey, Republican candidate for President, recommended that the social security act be amended to provide old age and survivors' insurance for approximately 20 million not now covered, including farmers and farm workers, domestics, employees of non-profit enterprises, many government employees, those that work for themselves, and those in military service, in order to eliminate the gap in the latter's old age credits.

He recommended widening unemployment insurance to include groups now unprotected, and urged that employment service and unemployment insurance be returned to the states. Medical service to citizens who need it and cannot otherwise obtain it should be provided, he said, and the medical profession should be consulted on how this should be done.

#### Vencill Security Mutual Leader

M. S. Vencill, Kimball, Neb., is new president of the Leaders Club of Security Mutual Life of Nebraska, having produced the most business for the year ending Sept. 1. Willard H. Parks and O. R. Oelschlager, both of Hastings, Neb., are secretary and vice-president respectively.

The total volume of business was more than \$1,007,000 higher than the previous year, which totaled \$2,866,000.

## Celebration for O. J. Lacy



O. J. Lacy, president of California-Western States Life, is here shown during the celebration of his 60th birthday anniversary. That day also marked the 30th anniversary of his entrance into the life insurance business and 10 years with

California-Western States Life.

The home office employees gathered to offer greetings and presented him with the cake here pictured on which was contained his photograph. Dr. H. W. Gibbons, medical director, presided.

#### U. S. Chamber Insurance Group Holds Parley

WASHINGTON—The new insurance committee of the U. S. Chamber of Commerce held its first meeting here Sept. 21. Veterans rehabilitation and employment was on the agenda. A subcommittee headed by William McKell, New York Casualty, is at work on this matter and will report later to the full committee. James Madden, Metropolitan Life, chairman of the committee, was authorized to appoint a subcommittee.

The committee was addressed by President Eric Johnson of the U. S. Chamber and General Manager Ralph Bradford.

The committee reviewed and discussed at length the insurance legislative situation and other developments following the Supreme Court decision. However, in view of the Chicago meeting of the insurance commissioners and other pending studies regarding the insurance situation as well as the fact that there is no prospect of Senate action on the Walter bill before the November election, the committee made no new recommendations to the chamber on the subject.

#### Chicago Course Starts Oct. 9

Joseph L. Beesley, cashier Equitable Society and educational committee chairman of the Chicago C.L.U., chapter has announced a series of 15 weekly classes, starting Oct. 9, covering Section B, economics, government and sociology. Classes on other sections will be held next spring. Classes will be held from 5:15 to 7:15 on Monday evenings in the Equitable class room, 5th floor, 29 South La Salle street, Chicago. Professor Berolzheimer of Northwestern University's insurance and finance department will head the instruction staff.

#### Actuarial Club Holds 10th Anniversary Meeting

The 10th anniversary meeting of the Middle Atlantic Actuarial Club was held at the Acacia Mutual Life board room, Washington, D. C. William Montgomery, president of Acacia Mutual, who welcomed the members at the first meeting congratulated the club on its growth and excellent work.

W. R. Williamson, actuarial consultant of the Social Security Board, president of the Club, discussed life insurance progress in the past 10 years. The history of the club was presented by two of the charter members, A. Kenigson, actuary Sun Life of America and Lloyd K. Crippen, vice-president and actuary of Acacia Mutual.

A paper on investment trends was given by Fergus J. McDiarmid, assistant manager, investment research department, Lincoln National Life. Reinhard A. Hohaus, associate actuary of Metropolitan Life discussed "Present and Future Developments in Social Insurance."

Following the meeting, the members and friends were guests of the local Washington companies at a reception and dinner.

#### Aetna St. Louis Group Change

Walter A. Smith has succeeded Harold A. Hines as group department manager of Aetna Life in St. Louis under F. H. Plaisted, general agent there. He had been Mr. Hines' assistant.

Mr. Hines has been promoted to assistant supervisor for the group department in several midwestern states, with headquarters in St. Louis. He has been with Aetna Life 14 years. He was group manager in Kansas City before going to St. Louis.

## Selection Men Prepare Program

Institute of Home Office Underwriters to Meet in Chicago Nov. 2-4

The annual meeting of the Institute of Home Office Underwriters will be held at the Edgewater Beach Hotel, Chicago, Nov. 2-4.

John H. Evans, vice-president of Ohio National Life, will discuss "Relationship of the Agency and Underwriting Departments"; Dr. J. R. B. Hutchinson, medical director of Acacia Mutual Life, who is serving with the navy in Washington, "The Ex-Serviceman as an Insurance Risk"; Ross E. Moyer, underwriting vice-president of Northwestern National Life, "Speculative Risks."

#### R. L. Hogg to Welcome Underwriters

Robert L. Hogg, manager and general counsel for American Life Convention, will give the welcoming address.

Because of demand, there will be two sessions of the case clinic, under Emmett Russell, Jr., Life & Casualty, and N. M. Longworth, United Benefit Life.

The industrial session is being handled by Joseph Hoffman, Commonwealth Life, and Vernon Cox, Continental Life, Washington, D. C.

Charles Smith, chairman of the underwriting forms committee, states that his group will have on display more than 20 new portfolios.

#### Round Table

The round table arranged by Floyd Short, Franklin Life, will include: "Current Underwriting of Applicants Classified 4-F" by Robert Jemison III, manager ordinary department of Southern Life & Health; "Aviation as a Post War Problem" by Richard T. Sexton, senior underwriter of Connecticut General Life; "Diseases Arising from Military Service in Foreign Lands" by Dr. Albert S. Irving, medical director of Commonwealth Life; "Removing or Reducing Extra Premiums on Policies of Men Going Into Service or Now in Service" by W. E. Price, chief underwriter of Bankers Life of Nebraska, and "Underwriting Health and Accident Insurance as It Relates to Life Underwriting" by Robert J. Campbell, chief underwriter of Continental Assurance.

## More Companies Eye the Group Field

The announcement that Pacific Mutual Life will enter the group insurance field actively means that it will be able to give life, accident and health coverage. It is stated that other companies are figuring on writing group insurance. Some of the purely life companies are making arrangements, already setting up machinery. It is thought that a number of companies have in mind modernizing their activities and extending their facilities so as to give agents more talking points and a greater number of tools. Other companies are figuring on lowering their interest rate, some still being at 3½%. They will go to 3% and some of the 3% companies will go to 2½% and even 2%.

#### Extension of Pension Plan Filing Deadline Unlikely

WASHINGTON—It is reported unlikely that Congress will be asked by the administration to extend time beyond Dec. 31, for filing pension trust plans with the internal revenue bureau, amended to comply with provisions of the revenue laws and regulations. Officials say they expect the processing of pending pension and profit-sharing plans to be completed by that date.



## L.A.A. to Take Up Aid for Returning Service Men

NEW YORK—The Life Advertisers Association will give special attention to the problems of helping returning service men at its annual meeting here Oct. 16-18. C. E. Brewer, Jr., assistant superintendent of Mutual Benefit, will conduct the session devoted to this subject, which is of primary interest, according to a survey by A. H. Thiemann, assistant secretary of New York Life, general chairman. There will be several speakers on this subject, including E. Paul Huttington, second vice-president of Penn Mutual; David W. Tibbott, New England Mutual, and H. G. Kenagy, superintendent of agencies of Mutual Benefit.

Among other speakers on the program are Lt. Col. L. J. Grayson of the adjutant general's office, who will discuss sales promotion methods of National Service Life Insurance. There will be an exhibit on this subject. Don Ross, merchandising manager of "Successful Farming," will speak on the post-war market for life insurance among farmers and how to prepare advertising material to appeal to them. Henry Flower, vice-president, J. Walter Thompson Co., will discuss the cooperative campaign of the life companies. Sales promotion of juvenile insurance will be discussed by D. Bobb Slattery, superintendent of agencies of National Life of Vermont, and William R. Foulkes, editor of publications of Prudential, will speak on publicity for agents. A. L. Cawthorne-Page, manager of the Canadian publicity division of Metropolitan, will talk on life insurance in post-war Canada. Richard Rhodebeck, vice-president of United States Life, will conduct the review and discussion of exhibits. R. William Archer, Southwestern Life, has been named to the general committee handling the meeting.

## Woman Named to Important Equitable Society Post

Miss Elinor C. Feihel has been appointed assistant secretary of the finance and real estate committees of Equitable Society. This is the first time the position has been held by a woman, and the appointment follows the naming of Miss Grace W. Jordis as assistant secretary of the company. Miss Feihel will assume her new duties immediately.



Miss Feihel

## Equitable's Los Angeles Agencies Hold Conference

The four Los Angeles agencies of Equitable Society held their educational conference at Del Mar, Cal., with Walter Gottschall, director of agencies, as the honor guest.

The agencies participating were those of Alex. Dewar, Kellogg Van Winkle, Cecil Frankel and Ron Stever. Delegates in attendance, who had qualified for the meeting, totaled 78.

The first business session, with Mr. Stever presiding, took up "The Corporate Dollar." Tax consideration and employee-employer relations were discussed in connection with business insurance; pension trusts, by-products of

group insurance, current developments in group insurance and staff insurance.

The final day's sessions were devoted to "The Personal Dollar" with Mr. Winkle presiding. Specific topics considered included: Selling personal insurance to business executives, successful programming, personal life insurance as discussed at the Million Dollar Round Table, assured home ownership plan.

Chairman Van Winkle concluded the sessions with a talk on "The Challenge of the Months Ahead." He declared that the prospect is for neither the greatest depression ever nor the golden age, but somewhere between these extremes.

## Alliance Life Regional Meeting Held in Chicago

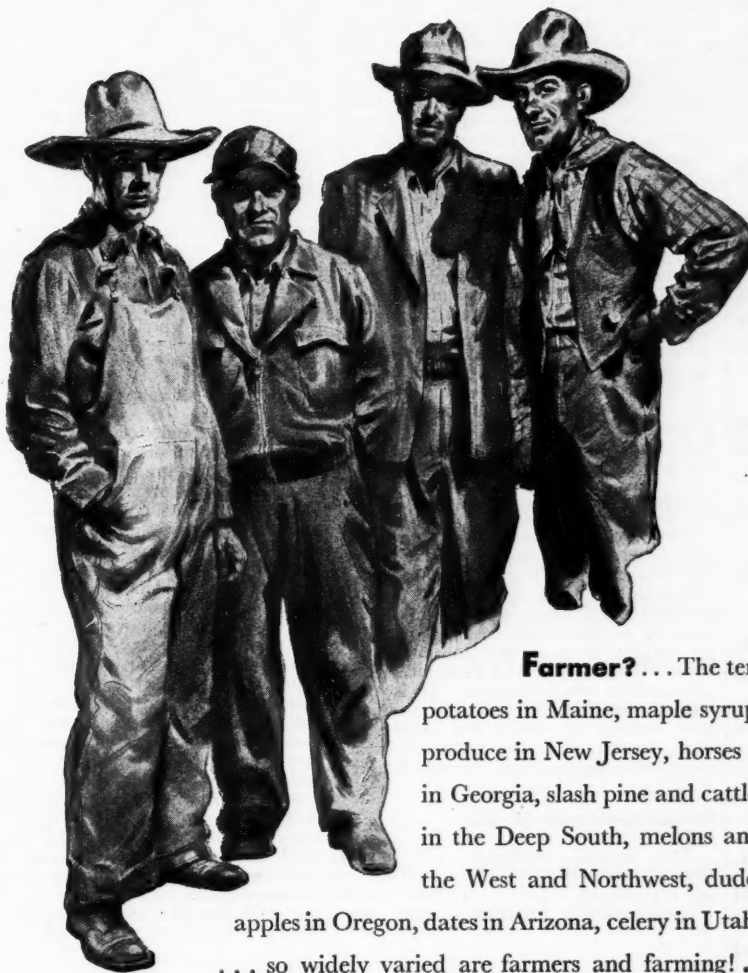
Illinois and Indiana agents of Alliance Life held a regional meeting in Chicago. Agency Director B. T. Kamins presided. Round table discussion leaders included Russell Griffith, "Coming Back to Building an Agency"; Ray Kaspar, "Punching Time Clock vs. Insurance Selling"; F. L. Noel, H. J. Bogard, Guy Edwards and Pearl Kirkpatrick, "Our Method"; L. R. Cardwell, "Producing Business as an Agency Unit"; C. F. Newby, "Rural Business"; F. L. Shimmis, "Prospecting and Selling Farm Business"; W. F.

Griffith, "How a Hoosier Does It," and J. J. Casasanta, "The GPA."

Plans for the annual fall campaign were outlined by Dr. J. E. Hunsinger, medical director; E. H. Wagner, actuary, and Louis Fauser, group supervisor. In concluding the sales rally, President M. A. Kern gave a brief report of the satisfactory insurance operations for the first nine months of 1944.

A similar meeting is scheduled for Sept. 29-30 at Battle Creek, Mich.

An unusual new medical-surgical indemnity policy for men, women and children is being offered by Security Mutual Life of Binghamton.



**Farmer?** ... The term is as loose as "labor" ... takes in

potatoes in Maine, maple syrup in Vermont, apples in New York, produce in New Jersey, horses and tobacco in Kentucky, peaches in Georgia, slash pine and cattle in Florida, cotton and sugar cane in the Deep South, melons and range steers in Texas, wheat in the West and Northwest, dudes in Nevada, sheep in Montana,

apples in Oregon, dates in Arizona, celery in Utah, oranges and tourists in California

... so widely varied are farmers and farming! ... **No one publication** can serve

specifically, satisfy or sell all, most or even a majority ... **SUCCESSFUL FARMING** doesn't

try, sticks to the 13 Heart states, New York and Pennsylvania ... concentrates its efforts

among 42% of the farmers in those states ... works for and with the farmers with the best

land, largest investment, largest cash incomes of U. S. farmers ... from diversified crops

of corn, cattle, hogs, poultry, eggs, milk, forage, soy beans, specialties and staples ... and a

larger margin of income over expense than any high bracket urban audience—surplus that

makes the SF subscribers the finest insurance prospect field in the world today! ... This market

is large enough to make **SUCCESSFUL FARMING** a major medium

for present and potential life and casualty policies—well

worth the immediate understanding and postwar use of every

progressive underwriter ... Ask to see the startling facts on

today's first farm market, available at any SF office ...

**SUCCESSFUL FARMING**, Des Moines, New York, Atlanta, Chicago, San Francisco, Los Angeles.



## RAINBOW'S END

On March 20, 1944, the Bankers Life Company of Des Moines issued a \$4,000 Income-to-Insured-at-Age-65 policy to a 26-year-old worker in an airplane factory, draft-deferred because of his occupation.

The sale was made with some difficulty. The young man's mother did not believe in life insurance. "She wanted to chase me out of their home," says the BankersLIFEman who made the call.

On the second interview, however, he found the mother less combative. The young man signed up, making his mother the beneficiary.

On June 19, 1944, the insured called at the Agency office of the Bankers Life to pay his second quarterly premium.

On June 22, 1944, while riding on a motorcycle, he was struck by a hit-and-run automobile driver and instantly killed; just 91 days after he had signed the application.

Here is a financial resume of this transaction:

Face of policy.....	\$4,000.00
Premium paid .....	127.58
Net gain over investment..	\$3,872.42
Percentage of gain over investment .....	3,035%

"Practically the only financial subsistence for this bereaved mother is the money received from this Bankers Life policy," writes the Agent who wrote the application and delivered the Death Claim check. He adds:

"I regret that I did not influence him to purchase more and to add double indemnity to the policy he did buy, but he would have absolutely neither. Yet I am glad to have had a small part in bringing financial relief to a sorrowed mother who now realizes what it actually means to have the breadwinner suddenly snatched away from her. What more supreme joy can anyone hope to experience than I have had, if one is altruistic and human? Ours is indeed a choice profession."

★ ★

**BANKERS Life**  
the Double Duty Dollar Company  
DES MOINES

## Life Values Greatest Asset, Prof. Huebner Says

War is placing greater emphasis on human life values, Dr. S. S. Huebner told a joint meeting of the Chicago Association of Life Underwriters and Chicago C.L.U. chapter in a talk on "Economic Outlook for the Coming Decade and the Part Life Insurance Will Play." He is very optimistic that a splendid future lies ahead of life insurance and those in that profession, if free enterprise is preserved.

Dr. Huebner pointed out dangers ahead and set forth what he conceived to be the assets and liabilities of the nation at the end of the war. He feels the federal debt will have grown to \$250 or \$300 billions, so national wealth will be plastered almost 100% with debt. The one great asset remaining is human life value, which always has been the origin of all material wealth and must be relied upon creatively to get the country out of its difficulties in the next decade.

He said life insurance in the coming decade will strikingly show six tendencies:

There will be a rapid growth in the volume of insurance and annuities as the economics of human life values become better understood. That subject now is being introduced into the educational system and before long will be standing along-side the studies relating to organization and management of property so that a better understanding of it soon will permeate all walks of life and result in a greater natural demand for insurance and annuities.

### Is Greatly Underinsured

However, the movement also will be stimulated by well organized underwriting, through well trained and educated personnel as contrasted with streamlined selling techniques. Only about one-seventh of the capitalized dollar value of working lives in this country is insured today despite the \$130 billions of outstanding life insurance. It is only within the last two decades that the true concept of human life values has been taught and the scientific treatment of these values through life insurance.

### Finest Investment Medium

The second tendency will be a greater recognition of life insurance as an investment. Life companies' portfolios containing \$37 billions now equal

about one-tenth the total national wealth and under normal conditions represent the nation's finest investment portfolio owing to widespread application of all the seven investment averages as well as use of conservative factors of safety.

### Public Opinion Factor

"Moreover, sight should not be lost of the fact that this outstanding portfolio in which so many millions are partners should serve as a mold of public opinion to resist devastating inflation or the other national dangers already referred to. Outside of pure term insurance, what is life insurance but a scientific device to assure a decent investment estate at the time of death for dependents, or at the time of old age for the protection of self and dependents? Outside of pure term insurance what is life insurance but a simple two-fold account, one side consisting of an increasing sinking, savings and investment fund and the other side consisting of decreasing term insurance which declines at exactly the same rate that the investment fund continues to increase? The savings and investment functions of life insurance must be fostered for the good of our people despite existing temporary investment difficulties."

### As Property Coverage

The third tendency will be increased use of life insurance as property insurance, just as fire, marine and other forms of property insurance are used to protect the insured against loss of his tangible property. Life insurance, he said, exists to protect against the dollar loss of human life values but also to protect against dollar loss of material wealth when occasioned by the death of the owner. This inevitably causes serious loss to property just as do fires. For example, cost of last illness, funeral expenses, estate settlement costs, post-mortem taxes of all kinds, loss of good will, loss of intangible and unmarketable assets dependent upon continued life, loss because of unfulfilled mortgages and other obligations, and loss occasioned by absence of a dependable purchase plan arrangement in partnerships and close corporations. All of these need to be indemnified through life insurance in order to maintain intact the deceased's property estate. Dr. Huebner said for the average middle class

estate such shrinkage if unindemnified will take conservatively at least 25% but if covered by life insurance there would be an undiminished estate going to heirs and dependents.

### Policy for Bequest Purposes

A fourth tendency is increased use of life insurance for bequest purposes. Philanthropic institutions in the past benefited greatly from the wealthy who gave generously of existing capital accumulations. But owing to government policies and other factors the wealthy donors will become substantially extinct, Dr. Huebner believes, and the institutions will have to look for future support to the many instead of the few. However the average man cannot give effectively from existing capital but is obliged to contribute small sums periodically out of current income. Life insurance is admirably designed to perform this function.

Fifth, is life insurance company participation in conservation of human life values. Loss due to unnecessary illness or premature death should be prevented, particularly in the active working period of life, by periodic examination and otherwise, a function peculiarly in the realm of life insurance company activities.

Dr. Huebner finally sees as the sixth factor an improvement in the quality of life underwriting in which volume will not be the only consideration. There will be tremendous improvement in the quality of salesmen in life insurance. The economic and social life is never static and life insurance cannot remain so.

### National Assets, Liabilities

Dr. Huebner discussed national liabilities and assets which will follow the war. He anticipates a considerable period of sharp economic dislocations with great uncertainties and a huge readjustment; a period of finding jobs for millions, winding up war contracts, reconversion of industry, reorganization and retooling for peace time production, much unrest in aggressive labor circles.

There will be the problem of honest management of a federal debt "so large as to stagger the imagination, probably reaching \$250 to \$300 billions before the end of government deficits is reached, and which when combined with state, municipal and private debts simply means that practically every dollar of national wealth in the nation is plastered 100% with debt," Dr. Huebner said.

There will be resumption of international trade on a business basis with many leading countries largely bankrupt for the time being and torn by war, Dr.

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INSURANCE IN FORCE, 727 MILLION DOLLARS

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# LIFE

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HEAD OFFICE:  
TORONTO, CANADA  
Established 1887



Huebner predicts. There will be continuance of government expenditures on a huge scale for years to come if the public debt is to be honestly managed and if the American people do their expected part in the peace reconstruction of the world. Also, there will be a huge tax burden for years to come amounting to probably \$30 to \$40 billions annually, for maintenance of federal, state and local governments.

Among the national assets counterbalancing these factors, however, he said are an unparalleled accumulated need for all types of goods and services due to pent-up demand for consumer goods and the necessity to make up the huge backlog on general maintenance and modernization deferred during the war; a huge buying power bolstered with accumulated savings of over \$100 billion which if sanely used, he believes, will give a good start in motivating business and maintaining confidence; natural confidence of the large middle class in the free enterprise and personal initiative system as the nation's greatest economic asset.

Among dangers ahead that must be avoided, he believes, are the growth of a political demagoguery directed against the free enterprise system; establishment of tax laws in view of the huge long time tax burden which will be conducive to paralyzing industry; unwise spending of the great accumulated savings of recent years which would mean a wild inflation and great suffering; establishment of unemployment compensation under demagogic pressure which may be designed to make loafing more attractive than work; and failure to resist essentially dishonest groups who may preach avoidance of governmental obligations and devaluation or other debasement of the existing currency.

John D. Moynahan, manager Metropolitan Life, president Chicago association, introduced F. V. Keesling, president West Coast Life, and Robert L. Hogg, new manager and general counsel American Life Convention, who were guests. He also introduced Philip B. Hobbs, manager Equitable Society, new N. A. L. U. secretary.

George Huth, general agent Provident Mutual Life, war bond chairman, introduced Renslow P. Scherer, state chairman war finance committee, who paid tribute to the Chicago association's payroll deduction sales record. Merrill O. Maughan, field secretary Dry Milk Industry, formally announced the American Trade Association's first place award to the Chicago association for its war bond sales exhibit. A letter was read from Mayor Kelly commending the Chicago association for its war bond record and its trade association award.

Dr. Huebner was introduced by Harry R. Schultz, Mutual Life, N. Y., C.L.U. chapter president. Dr. Huebner held a consultation session after his talk.

#### Negroes Picket Metropolitan Office

NEW YORK—Members of the "March on Washington" movement began picketing the two Harlem offices of Metropolitan Life with signs demanding that the company give more jobs to Negroes. A similar line will be established outside of the company home office, A. Philip Randolph, president of the Brotherhood of Sleeping Car Porters and director of the movement, who led the picketing, said at a conference with C. G. Taylor, Jr., executive vice-president of Metropolitan. Mr. Randolph said he was informed company directors had "thoroughly explored its policy of employing no Negro agents and had no intention of changing that policy."

#### Lavell Heads Detroit Unit

Richard M. Lavell, Manufacturers Life, was elected president of the Detroit and Windsor cashiers at the annual meeting. Joseph Stutzke, Reliance Life, is vice-president; Jean Norton, Northwestern National, secretary, and Marian Brehler, Midland Mutual, treasurer.

## Metropolitan Men Win Pay Increase

WASHINGTON—An increase of \$2.85 in the average weekly earnings of about 8,500 agents of Metropolitan Life has been directed by the National War Labor Board, which at the same time approved a company request for permission to extend the increase to about 5,500 other agents.

The board indicated the increase was based on computation of cost of living adjustment on the basis of the little steel formula, if the latter applied to commission earnings. It was announced that a board majority opinion explaining the decision and a dissenting opinion of its industry members will be issued shortly.

The board's directive order (1) upheld a decision of the second regional WLB at New York which granted the increase to 1,931 Metropolitan life agents in the New York City metropolitan area in settling a dispute between the company and the Industrial Life Insurance Agents local of United Office & Professional Workers, CIO, and (2) applied the same increase to a dispute before the national board between the union and the company involving agents in other states as follows: New Jersey, 1,200; Pennsylvania, 1,800; Michigan 600; Massachusetts, 1,000; Connecticut, 400; Illinois, 1,600.

In the interest of uniformity WLB approved the company request to extend the increase to its Rhode Island and Missouri agents, represented by United Office & Professional Workers; agents in Maryland, represented by Industrial & Ordinary Insurance Agents Council, AFL; and in Minnesota and Wisconsin represented by International Union of Life Insurance Agents, independent. This approval was made contingent upon concurrence of the unions involved.

Distribution of the average \$2.85 weekly increase among the several rates of compensation, said WLB, is to be determined by agreement between company and unions; if no agreement in 30 days, the matter is to be submitted to arbitration.

The increases in cases before the board were ordered retroactive to the dates the disputes were certified to the board for settlement. These dates are Oct. 24, 1942, for New York City metropolitan; Feb. 9, 1944, for New Jersey and Pennsylvania; April 22, 1944, for Michigan, Massachusetts, Connecticut, Illinois.

The company was authorized to make the increase to its agents in other states named above effective Sept. 18. The company had asked the national board to review the New York regional board's order in the New York case.

#### Committee to Reappraise Cal. Ins. Laws

SAN FRANCISCO—A special committee to reappraise California insurance laws in view of the Supreme Court decision was appointed by Governor Warren as follows: Commissioner Garrison, chairman; Charles C. Hannah, Fireman's Fund; Francis V. Keesling, West Coast Life; Neal Harris, Oakland, representing the California Association of Insurance Agents; State Senator James J. McBride; Assemblyman Frank J. Waters; Attorney general Robert W. Kenny; Eugene L. Stockwell, attorney, Los Angeles; Bertrand J. Lynch, Los Angeles; Professor Arthur M. Cathcart, Palo Alto.

#### Sterling's Housewarming

Sterling of Chicago will hold open house next Saturday in its own building, 737 North Michigan avenue. The Sterling offices have been well established and the machinery is well geared and oiled. President L. A. Breskin will be in charge.

## IT PROTECTS.....



## THE PROTECTION

That's the role played by the Waiver of Premium Benefit — making it more certain that life insurance protection will not be lost at a time when it is needed more than ever.

And that is the reason the Waiver of Premium Benefit is automatically included in Prudential Ordinary policies issued at standard rates.



**The PRUDENTIAL**  
INSURANCE COMPANY OF AMERICA  
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## Butterworth New Head of the New England Mutual General Agents Group

Linwood Butterworth of Atlanta, who has been secretary and treasurer of the General Agents Association of New England Mutual, was elected president at the annual meeting at the home office last week succeeding Frank M. See, St. Louis. H. G. Swanson of Chicago was chosen vice-president and Albert E. Payton, secretary-treasurer. This was a joint conference between the general agents and head office.

Mr. See presided at the first session. President George Willard Smith gave a look ahead. S. S. Hall, Jr., financial vice-president, told of the various phases of wartime investment trends. Vice-president George L. Hunt in charge of agencies closed the program.

### Geo. L. Hunt Presided

In the afternoon, Vice-president Hunt presided; W. C. Gentry, supervisor field service, discussed developing a technique. D. W. Tibbott, director of advertising, and W. L. Wadsworth, field supervisor, commented on the theme, "Post-War Is Now for More Than a Million Men." W. F. Noble of Omaha spoke about the "Newton Plan" as a challenge to America. Agency Secretary C. F. Collins advocated the weeding out process in agency building.

Mr. See presided at the first session the second day and Walter Tebbetts and J. L. Stearns, actuary, told about prospective changes in policy contracts. H. C. Chaney, regional director of agencies, enumerated the best assets that the agents have in production work. George L. Grimm, supervisor of field training, spoke on career underwriting. W. W. House of Hartford had as his subject, "Training Is a Full Time Job."

The new president, Linwood Butterworth, presided at the second session. F. W. Dedman of Knoxville and L. W. Sawyer of Portland, Me., made some

observations on the growth of small agencies. H. G. Swanson of Chicago spoke on "Showmanship in Brokerage Promotion" and Paul M. Smith of Columbus, O., on "Quality Pays." R. R. Hays, Jr., of Los Angeles made some observations on large agencies and took the position that they are not a one-man show.

### Dawson on Pension Trusts

On the first session the third day W. E. Hays, director of agencies, was chairman and C. P. Dawson of New York City talked on pension trusts. Mr. Chaney spoke on business insurance and Doris Montgomery, attorney for the insurance trust department, on "Estate Analysis."

Vice-president Hunt presided at the last session, H. A. Schmidt of New York City told about the greater opportunities in the post-war period. W. E. Hays gave a talk and Mr. Butterworth told about the distinctive position of New England Mutual. President Smith closed the meeting with an inspirational talk.

### Zone 4 Officials Meet

The insurance commissioners of Zone 4 are in session at Madison, Wis., this week, the host commissioner being Commissioner Duell of Wisconsin. Commissioner Johnson of Minnesota, president National Association of Insurance Commissioners, is in attendance. Some of the commissioners will be in Chicago, Sept. 29, at the meeting of the federal legislative committee of the commissioners association.

### R. L. Foster Speaks in Detroit

R. Leighton Foster, general counsel of the Canadian Life Insurance Officers Association and former Ontario insurance superintendent will address the first fall dinner meeting of the Michigan Actuarial Society in Detroit Oct. 2 on "Government Insurance Supervision in Canada."

## Honor 4 Minn. Men Who Head National Insurance Groups

MINNEAPOLIS—A testimonial dinner honoring four Minnesota men who currently head national insurance organizations is being arranged for Oct. 9 in Minneapolis. The guests of honor represent four different branches of the industry. They are:

Newell R. Johnson, president National Association of Insurance Commissioners. Leonard C. Lund, chairman fire marshals section of the National Fire Protection Association.

H. P. Skoglund, North American Life & Casualty, president Health & Accident Underwriters Conference.

Thomas G. Linnell, Minneapolis general agent, most loyal grand gander of the Blue Goose.

A group of prominent Twin Cities insurance men, is arranging the dinner which will be open to all insurance men in the state. There will be no speech-making outside of remarks that may be made by the four honor guests.

## Indiana Company Group Elects Drake; Backs Sweeney for A. L. C. Executive Post

LA FAYETTE, IND.—James M. Drake, president Empire Life & Accident, was elected president of the Association of Indiana Legal Reserve Life Companies at its annual meeting here. Kirk McKinney, president Jefferson National Life, was named vice-president and Fred Sterling, secretary State Life of Indiana, secretary-treasurer. LeRoy Porteus, vice-president Indianapolis Life, and Eugene Burget, president Peoples Life of Frankfort, were named to the executive committee.

Nearly 60 officers of the 10 member companies were present. LaFayette Life entertained at a luncheon and golf. Plans were made to promote the election of Robert Sweeney, president State Life of Indiana, to the executive committee of the American Life Convention at its meeting in Chicago next month.

This was the first meeting attended by Mr. Burget since his serious accident a year ago. Mr. Burget plans on attending the American Life Convention in Chicago.

Various problems confronting the business and methods for meeting them were discussed.

## Guardian Campaign to Honor McLain in His 25th Year

Guardian Life opens its campaign to honor President James A. McLain Oct. 1. While October production traditionally has been a tribute to the president, this year the agency force is recognizing Mr. McLain's 25th year of Guardian service, which will be completed Jan. 8, and his fifth year as president.

The campaign was opened with a business meeting for the agency forces of the New York metropolitan areas, in charge of Agency Director George L. Mendes, followed by a dinner in the evening at which Manager Jerome A. Schnur of Leyendecker-Schnur agency, chairman of Guardian's metropolitan division managers, presided.

Mr. McLain started in the field as an agent in Minneapolis. He was one of the first graduates of the school of insurance salesmanship at Carnegie Tech. He was appointed agency assistant at Guardian's home office in 1920, was promoted to assistant superintendent of agencies in 1924 and a year later to inspector of agencies. In 1928, the year in which Mr. McLain headed the country's first Life Insurance Day (forerunner of Life Insurance Week), he was made superintendent of agencies and in 1930 he was elected vice-president. Later that

year he was made vice-president and a director of the company. He served as chairman of the Agency Section of the American Life Convention and contributed greatly to the work of that body and that of the Sales Research Bureau. Mr. McLain was elected president of his company Jan. 1, 1940, and last October elected president of the American Life Convention.

For the past year Guardian has been striving for a high production objective to mark its president's 25th year. Now it is well within the sight of its goal, with paid production 21.6% ahead of the first eight months of 1943.

### Start Los Angeles Classes

The Los Angeles C.L.U. chapter has opened its classes with 41 members, who have registered for 71 examinations next June. For the first time six women have registered for the work.

Dr. Floyd Burtchett again is the instructor.

Statement of the Ownership, Management, Circulation, etc. Required by the Acts of Congress of August 24, 1912, and March 3, 1933.

Of The National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for October 1, 1944:

State of Illinois, ) ss:

County of Cook, ) ss: Before me, a notary public, in and for the state and county foresaid, personally appeared Howard J. Burridge, who, having been duly sworn according to law, deposes and says that he is the secretary of The National Underwriter Co., publishers of The National Underwriter, Life Insurance Edition, that the following is to the best of his knowledge and belief, a true statement of the ownership, management, and (if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537 Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.

Editor, C. M. Cartwright, Evanston, Ill.

Managing Editor, Levering Cartwright, Evanston, Ill.

Business Manager, H. J. Burridge, Hinsdale, Ill.

2. That the owner is: (if owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or unincorporated concern, its name and address as well as those of each individual member must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati.

Southern Ohio Savings Bank & Trust Company, Cincinnati, Ohio, trustee for Elizabeth W. Herschede and John F. Wohlgenuth.

C. M. Cartwright, Evanston, Ill.

H. J. Burridge, Hinsdale, Ill.

G. W. Wadsworth, Highland Park, Ill.

R. E. Richman, Boston, Mass.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holders appears upon the books of the company as trustees or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner, and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is: (This information is required from daily publications only.)

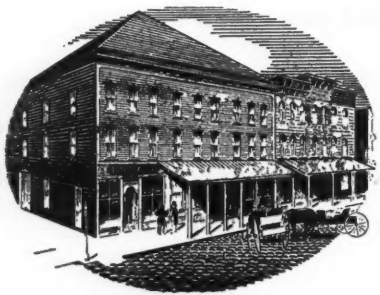
The National Underwriter Co., publisher, by Howard J. Burridge, secretary.

Sworn to and subscribed before me this 16th day of September, 1944.

J. C. O'Connor, Jr.,

(Seal) Notary Public.

(My commission expires Sept. 27, 1945.)



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a life insurance company distinguished by

the character and ability of the men and

women comprising its field organization...

and by the integrity of its management.

# EQUITABLE LIFE OF IOWA

Founded 1867

HOME OFFICE

DES MOINES, IOWA



## Newberry Elected N.F.C. President

(CONTINUED FROM PAGE 1)

fraternals or a separate fraternal table should be developed. Consensus was that the table be permissive, and there was some objection to a special table on the ground that a "fraternals only" mortality study might put the societies in a special class and this might react in the field and reflect on future growth.

They also discussed the setting up of extra reserves to guard against possible future lower interest rate, such as some societies have done by valuing on a

lower interest base than that stipulated in certificates.

There was expressed the question whether the placing of such extra reserves in the regular reserves might not expose the societies to legal liability to pay the extra value to withdrawing certificate holders. The consensus was that such funds should be set up as supplementary or contingent reserves but not as regular reserve.

S. A. Oscar, president of National Mutual Benefit, Madison, Wis., was elected president of the Presidents Section, succeeding Norton J. Williams, president of Equitable Reserve, Neenah, Wis. Other new officers are: First vice-president; T. W. Midkiff, president Woodmen of the World, Denver; second vice-president, J. B. Baker, president Maccabees; secretary-treasurer Fred A. Johnson, head of Royal League, Chicago.

It was noted that the commissioners' real estate committee will meet Monday, Oct. 2, at the Edgewater Beach hotel, Chicago, and John S. Tolversen, treasurer of Equitable Reserve, Neenah, Wis., as chairman of the N.F.C. committee, will meet with the other committee on the proposal to have a uniform appraisal blank. A similar proposal for old line life companies will be considered by American Life Convention companies, which meet there next week.

The Secretaries Section elected John Masich, secretary of Greek Catholic Union as president, succeeding Mrs. Clara B. Bender, Degree of Honor, St. Paul; Judge W. C. Braden, W.O.W., Omaha, as vice-president; Miss Erna Barthel, secretary of Royal Neighbors, Rock Island, Ill., as secretary.

T. J. Carroll, Columbus, editor of "Catholic Forester" of the C.O.F., was elected president of the Press Section, succeeding Harold Allen, Fidelity Life, Fulton, Ill. Vice-president is Rose Callahan, Ladies Catholic Benevolent, Batavia, N. Y.; secretary-treasurer, Mary A. Baird, Woman's Benefit, Port Huron, Mich.

The Medical Section named Bernard P. Conway, Royal League, Chicago, as president, succeeding C. M. Frye, Fidelity Life, Rock Falls, Ill.; first vice-president, E. E. Taylor, W.O.W., Denver; second vice-president, Olga M. Stastny, Woodmen Circle, Omaha; secretary-treasurer, J. G. McGrath, C.O.F., Chicago.

Roy Mohan, Degree of Honor, St. Paul, was elected president of the Legal Section, succeeding J. A. Riordan, Morrison, Ill., general counsel Fidelity Life. O. Stumm Wells, general attorney Woodmen Circle, becomes vice-president, and George H. McDonald, associate general counsel Modern Woodmen, Rock Island, Ill., temporary secretary-treasurer to serve until R. H. Allen, Standard Life, returns from the service.

J. A. Doubles, Modern Woodmen, North Carolina, was elected president of the States Congresses Section, succeeding Paul J. Leyhe, Missouri. Julius B. Michalski, Polish Association, Milwaukee, was named first vice-president; Louise Patrick, Woodmen Circle, second vice-president; Miss Helen E. Wold, N. J., Maryland and D. of C. state supervisor of Royal Neighbors, Lyndhurst, N. J., secretary-treasurer.



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SO WHEN ROSS tells the story of how to sell the farmer, he is talking from the ground up.

THAT IS WHY his study "THE FARM LIFE INSURANCE MARKET AND HOW TO SELL THE FARMER," which R & R has just published, is meeting an enthusiastic reception. ROSS urges the life insurance man to forget his ancient prejudices and to believe that the farmer is one of today's best markets. He proves that fact by pages of statistics —

AND THEN DRAWING ON HIS EXPERIENCES, he tells exactly how to sell the farmer.

\*\*\*

IF YOUR MEN ARE NEGLECTING THIS MARKET OR IF YOU WISH FURTHER TO STIMULATE THEIR EFFORTS, THE DON ROSS STUDY WILL HELP YOU. DROP A POSTAL FOR A COPY.



PAUL SPEICHER  
Managing Editor

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And that means the day is nearer when the boys will be coming home, and America settles down to peaceful pursuits again ... an era in which Life Insurance is prepared to play a vital part, in peace as in war.

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**NASHVILLE**  
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**TENNESSEE**



100TH YEAR



**NEW YORK LIFE**

**INSURANCE COMPANY**

*A Mutual Company, Founded on April 12, 1845*

**51 MADISON AVENUE, NEW YORK 10, N. Y.**





# 100TH YEAR

**"The efforts of New York Life  
Agents during the past century  
have created a great life insurance  
company, protecting the family  
and serving the nation."**



## NEW YORK LIFE

INSURANCE COMPANY

*A Mutual Company, Founded on April 12, 1845*

51 MADISON AVENUE, NEW YORK 10, N. Y.



## EDITORIAL COMMENT

### Caution in Pension Field

The program of the Million Dollar Round Table at Detroit that was devoted to consideration of employee benefit plans was a particularly wholesome experience. The subject was treated informationally and critically. Advocates and specialists in the various forms of employee covers—group, group permanent, pension trusts and profit sharing, trust fund financing, 5% plan, group pension, etc.—recited the fundamentals and set forth the advantages claimed. Then following each spokesman there was heard Attorney Denis B. Maduro of New York, who acted as dissenter, arouser or devil's advocate. He had probed each plank in every plan with a knife to discover every conceivable disadvantage in that plan from the standpoint of employer and employee. So thoroughly had he gone about his task that at times his criticism seemed almost annihilating.

The fact that the underwriters staged such a program constitutes impressive evidence that insurance salesmen are not uncritically exerting their great selling enthusiasm to persuade American business to plunge into pension and other employee plans because of the prosperity and tax situation of the day. There was no reference during the day to sales technique, how to sweep aside objections, how to get quick action. The material brought out was of a nature that is helpful to the true counsellor in this field.

Those who have become successful and expert in the area of employee plans recognize that the insurance industry has a delicate responsibility in the matter. Indeed a number of companies are so convinced that the pension trust field is so fraught with dangerous potentialities that they have shunned it entirely.

It may very well be that in the future the period of this war will be looked back upon as the genesis of systematic retirement plans for employees in this country. We are undoubtedly at this time embarking upon a new era. Pensions seem to go hand in hand with maturity in economic institutions. It may be that we have reached that stage of maturity and the pension idea was ripe for development at a time when profits and tax advantages were such as to put the introduction of pension plans within the reach of a great many employers.

In entering upon this new era of deferred pay for the employees, however, mistakes are bound to be made even when the employer adopts a plan with as much foresight as he can summon, cautiously, with the long time interests of his employees and the company at heart. There are a variety of factors to be considered. At nearly every turn there is a choice of decisions. An effort has to be made to apprehend the future. The psychological effect of this or that provision and of the plan as a whole on the employees and their serviceability to the company has to be weighed. Knowing that even when the best judgment is applied mistakes are going to occur, it is important that the insurance practitioner avoid in any way stampeding an employer into a decision and that if he err at all it be on the negative side.

It is likely, as we have said, that we have now entered upon the pension era in this country, but before pension systems become stabilized and take their final form and place there will be some disturbances that may put employers in an awkward light and that may bring about criticism of the life insurance institution. The most obvious danger is that concerns that adopted pension plans with swollen war time profits and with 10 cent dollars may seek to get out from under when and if their profits evaporate and corporation taxes decrease.

We believe that the insurance companies and most of the insurance salesmen specializing in the pension field recognize this danger and are confining their attention to companies that have their roots deep in the ground, with a consistent earnings record running back before the war and which do not face formidable reconversion problems.

In operating in the pension field we believe that the insurance salesman must curb his merchandising drive and act in the capacity of a critical informed consultant. We believe that the insurance industry does have a thoroughly professional attitude toward the pension field at this time and the program of the Million Dollar Round Table the other day before an audience that included so many leaders in the pension field was testimony that the prevailing spirit is one of providing correct solutions and a recognition of the pitfalls and dangers involved.

record increase in time and savings deposits amounting to \$1.8 billion among individuals while there was a \$1.5 billion rise in cash in the hands of individuals. As of June 30 individual holdings of cash amounted to \$20 billion in currency, and \$35 billion in time and savings deposits, while demand deposits

accounted for \$29 billion.

Purchases of life insurance depend not only on the need for coverage but on the ability to buy. Despite heavy purchases of war bonds and the higher cost of living the public appears to have plenty of what it takes to make the life insurance business prosperous.

## PERSONAL SIDE OF THE BUSINESS

**A. W. Schein**, who has been honorably discharged from the marine corps after 22 months of service, has reentered life insurance with New York Life in Stevens Point, Wis. While he was in service, Mrs. Schein continued his business producing \$385,000 in 1943 and qualifying for the Women's Quarter Million Dollar Round Table.

**Cletus Gill** of Indianapolis was honored at a dinner on completing 25 years with Western & Southern Life. President C. F. Williams, Vice-president W. O. Burns and E. C. Spellman attended from the home office, together with H. J. Havens, Indianapolis manager; William Klusmeier, South Bend; A. W. Kohlstaedt, home office supervisor; Henry Phillips, Columbus manager; L. S. Dixon, Lafayette manager; C. J. Holloway, Piqua, O., and more than 100 employees of the Indianapolis district and their wives.

**Dr. Louis I. Dublin**, second vice-president and statistician of Metropolitan Life, has been appointed assistant to Basil O'Connor, chairman of the Red Cross central committee and will devote full time to Red Cross work after Oct. 1 for the period of his loan from Metropolitan.

**Miss Dorothy Goldsmith**, personnel director of Guardian Life, was tendered a dinner on completion of 25 years with the company by the Fifteen-Plus Club, home office organization of women employees with a service record of 15 or more years. President James A. McLain presented Miss Goldsmith a 25-year service pin and the Club's gift, a radio, was presented by Vice-president John L. Cameron.

Miss Goldsmith started as an assistant to Second Vice-president R. C. Neuen-dorffer, who then was in charge of personnel activities. She is a fellow of the L.O.M.A. Institute and a member of the examination committee of the association. She has read papers before the L.O.M.A. and the National Office Management Association.

## DEATHS

**Sidney A. Geise**, 46, agency director in Milwaukee of New York Life, died there after a brief illness. Burial was at Sturgeon Bay, Wis. Mr. Geise started with New York Life in 1936 in Milwaukee, and became agency director at Eau Claire, Wis., two years later. He served as president of the Chippewa Valley Association of Life Underwriters. In 1942 he became director of the St. Paul agency and in 1943 returned to Milwaukee as successor to Walter Weissinger, who became agency director at Madison, Wis.

**Paul F. Crane**, 47, formerly agency manager of National Guardian

Life and later supervisor of the Wisconsin Agency, Inc., Madison general agents of Continental Assurance, died at Hines hospital, Hines, Ill., after a long illness. A veteran of the first world war. Mr. Crane had been in poor health for several years and a patient in the hospital the past year.

**Ralph G. Keller**, home office general agent of Rural Bankers Legion Life of South Bend, Ind., died.

**Pvt. Lyndon W. English** was killed in action in France Aug. 11. After graduating from Syracuse University in 1937 he joined Aetna Life and in 1938 was transferred from Cincinnati to Buffalo. He then associated with the John W. de Forest agency there as assistant manager of the group department.

**Albert E. Shallenberger**, 73, chairman of Sunset Life, died from a heart attack.

**Herbert L. McConnell**, 59, former secretary of Atlantic Life, died in Richmond, Va. He retired a few years ago due to ill health.

**Chester W. Albright**, leading producer of Northwestern Mutual, died in Indianapolis after several months illness. He joined Northwestern Mutual in Indianapolis in 1919. He was a C.L.U., was active in community affairs and in association work.

**Dr. J. Allen Patton**, 78, retired medical director and second vice-president of Prudential, died at his home in Los Angeles. Dr. Patton retired in 1933 after a service which began in 1885 as an examiner in Chicago. He received successive promotions until his most recent one, in 1930. He developed the company's home office infirmary into a modern, well equipped hospital.

### Cites Possibility of Minority Rule Prevailing

The Hartford "Times" in an editorial, "One More Sound Step," makes the interesting observation that if a minority of Congress should succeed in preventing enactment of the Bailey-Walter bill to exempt insurance from the federal anti-trust laws that would be minority government all along the line. The revolutionary decision of the Supreme Court in the S.E.U.A. case was rendered by a minority of the court. The Walter bill was passed in the House by a vote of better than five to one and it seems likely that it will be passed in the Senate but it is likely that President Roosevelt will veto the bill and it would probably be impossible to get a two-thirds vote in both houses to reenact it over a veto, the Hartford "Times" observes. Hence that would mean that minority rule would prevail on the insurance question both in Congress and in the Supreme Court.

### Evidence of Ability to Buy

Once again the Securities & Exchange Commission supplies encouraging news about the ability of the American public

to buy still more life insurance. Figures just released by the SEC show that for the quarter ended June 30 there was a



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SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.



## NEWS OF THE COMPANIES

### Lehmkuhl Joins Guarantee Mutual

Walter B. Lehmkuhl, secretary of American Reserve Life, has joined Guarantee Mutual Life of Omaha as assistant secretary. Mr. Lehmkuhl graduated from the University of Nebraska



WALTER B. LEHMKUHL

in business administration in 1930, and immediately went with Pacific Mutual Life as agent for a year.

He was with the insurance department of Nebraska for 2½ years as a member of the examiners staff. In 1933 he went with American Reserve Life and was elected to secretary in 1939.

Mr. Lehmkuhl is a past president of the Nebraska Insurance Institute and at present is president of the Institute of Home Office Underwriters.

### Parker Named Managing Director of Imperial Life

John G. Parker, general manager and actuary of Imperial Life of Canada, has been elected a director and appointed managing director following the death of G. Cecil Moore. George T. Prentice, associate actuary, has been named actuary, and A. A. Poyntz has been appointed assistant general manager.

Mr. Parker has been with Imperial Life since 1904 and is past president of the American Institute of Actuaries, the Actuarial Society of America, the Canadian Life Insurance Officers Association and the Life Insurance Institute of Canada.

### Name Blease and Mahoney Assistant Secretaries

Warren T. Blease and W. Clement Mahoney have been appointed assistant secretaries of Connecticut Mutual Life.

Mr. Blease is a graduate of the business school of the University of Pennsylvania. Upon graduation in 1925 he went to work in the actuarial department and in 1929 transferred to the income agreement department, where he has been in active charge for the past several years.

Mr. Mahoney became associated with Connecticut Mutual in 1917. Beginning as a runner in the mail room, he was subsequently transferred to the accounting department, where he has been in active charge since 1942.

### Dr. Connally Amicable Life Medical Director

Directors of Amicable Life, Waco, Tex., have appointed Dr. H. F. Connally of Waco as medical director. Dr. Connally succeeds the late Dr. Carl Lovelace.

### Gulf Life Is Favorably Examined

Assets of Gulf Life at Dec. 31, 1943, according to the report of an examination conducted by Alabama, Florida and Georgia, totaled \$16,861,703. Capital was \$500,000 and net surplus \$1,107,402. Ordinary insurance in force totaled \$85,595,360 and industrial \$131,318,209.

The weekly debit as of the last week in December was \$108,101 and as of June 26, 1944, the debit was \$117,539 or an increase of \$9,437. The examiners remark that Gulf Life is enjoying a healthy growth of its industrial and its ordinary business.

Practically all ordinary insurance of \$1,000 or more is one white lives. Colored lives in the ordinary department are accepted on intermediate and monthly premium forms.

Industrial insurance is written on both white and colored lives. A combination health, accident and life form is issued on colored lives only. The travel and pedestrian accident policy is issued on white and colored lives.

The ratio of actual to expected mortality in 1943 was 42.1. Large volume of new business has accounted to some extent for the favorable experience.

In February of this year a retirement plan was installed for regular employees and as of June 30, \$300,000 was set aside as the estimated net present value of back service credits required to provide the retirement annuities contemplated under the plan. All regular employees become participants after one year of service, not over 65 years of age if male, or over 60 years if female. Employees contribute 2% of earnings and the company contributes the balance required to provide the proposed annuity payments.

The examiners state that Gulf Life is in a strong financial condition and has enjoyed a remarkable growth since the date of the last examination.

### Windsor Equitable of Iowa Assistant Treasurer

James H. Windsor, assistant superintendent of bonds, has been promoted to assistant treasurer of Equitable Life of Iowa. Mr. Windsor was graduated from Yale in 1926 and entered the finance department of the company after four years' experience with New York City banking and investment firms. In 1934 he was named assistant superintendent of bonds, a position he will retain in addition to his duties as assistant treasurer.

To fill the position of company cashier, which has been vacant for several years, the trustees elected Miss Martha Parkin. She joined Equitable Life of Iowa in 1917, and has had long experience in the cashier's department.

Gordon W. Cameron of Pittsburgh, treasurer of Aluminum Company of America, has been elected a trustee of Equitable Life, to fill the vacancy caused by the recent death of John Sweetser of New York City, president of the Bigelow-Sanford Carpet Co.

### Washington National Changes

S. W. Bowen, who has been manager of the casualty record department of Washington National, has been promoted to field supervisor, southern territory, with headquarters in Atlanta. He will also be in charge of the Glenn agency there, which is now being operated as a branch office.

Assistant Secretary R. C. Neuhaus is placed in charge of home office personnel and for the present will have supervision of the casualty record department. Comptroller Frank Mikkelsen has been placed in charge of the newly created department for the study and improvement of internal audits. Auditor N. A. Pitt, who has been placed in charge of all accounting and accounting

## THE CANADA LIFE

### ... in the United States

The Canada Life is in effect, self-contained in the United States. It is really a company within a company.

No fluctuation of foreign exchange can adversely affect contracts issued by the Canada Life in the United States as these contracts are payable in United States currency and are backed by assets payable in United States currency.

The Canada Life, at all times, has on deposit with trustees in the United States assets substantially greater than its United States liabilities. (At Dec. 31, 1943, our U.S. assets were \$73,594,954, liabilities \$70,775,463). These assets are under the rigid control of the insurance departments of the various States where we do business, including New York State, and may not be withdrawn without permission of such departments.

### Diversification of Investments and Cash Held in the United States as at Dec. 31, 1943.

22.7%	in Cash and Government Bonds
3.5%	in Municipal Bonds
46.9%	in Public Utility Bonds
4%	in Railroad Bonds
6.2%	in Other Corporation Bonds
10.4%	in Preferred Stocks
5.4%	in Mortgages and Sale Agreements
4.5%	in Policy Loans

### More than Fifty Years Service to United States Policyholders

THE CANADA LIFE  
ASSURANCE COMPANY

Established 1847



# EXTRA

## CAL-WESTERN'S New Agent's Contract PROVIDES:

- **E-x-t-r-a**—life-time renewals with higher margins in second and third critical years.
- **E-x-t-r-a**—higher commissions in first year.
- **E-x-t-r-a**—agent's retirement plan in addition to life-time renewals.
- **E-x-t-r-a**—cash bonuses for App-A-Week, Ten-A-Month, and Leading Producers' Club memberships.
- **E-x-t-r-a**—free group life insurance.
- **E-x-t-r-a**—group sickness, accident and hospitalization on a contributory plan.

For the "E-x-t-r-a" in contract advantages it's

**CALIFORNIA-WESTERN  
STATES LIFE  
INSURANCE COMPANY**  
Home Office: Sacramento

record procedures, will also be in charge of the preparation of annual reports for insurance departments.

### Holt Rejoins Security Mutual

William L. Holt, general counsel of Security Mutual Life of Nebraska, who has been on leave of absence for two years while in the army, has returned to his position with the company.

He was a captain in the army air force intelligence service, spending 18 months in active service in England. He now has been placed on inactive duty.

### Promote Real Estate Men

George J. Miller has been appointed supervisor of real estate sales by Mutual Life of New York. He succeeds W. L. Selover who has been promoted to regional supervisor of mortgage loans. Mr. Miller joined Mutual Life in 1942, and Mr. Selover started in 1936.

### Jacobi Educational Assistant

Canada Life has appointed W. M. Jacobi educational assistant in working with H. E. Lumsden, educational supervisor. Mr. Jacobi joined the company in 1931 and five years later was appointed editor of its field magazine. Since then he has been in the field.

### Elwood Gartley Is Advanced

NEW YORK—Elwood Gartley, assistant adjuster in the 55 John street office of Travelers, has been appointed supervisor of unapproved total permanent disability claims. He has been in this city for six years with Travelers, the past 1½ years in the office with which he is now associated.

### Saint with Forest Lawn Life

Forest Lawn Life of Glendale, Cal., has appointed Walter M. Saint assistant agency director. He has been assistant general agent in the Walter J. Stoessel agency of the National Life of Vermont in Los Angeles. Before going to Los Angeles he was field supervisor in the home office of Northwestern National Life.

### Thorne Agency Supervisor

Richard H. Thorne of the Salt Lake City agency of American National has been appointed home office agency supervisor.

Life of Virginia has declared a dividend of 75 cents a share payable Oct. 2 to stockholders of record Sept. 22.

## NEW YORK

### McCAFFREY WITH UNION MUTUAL

Francis B. J. McCaffrey has been appointed an assistant manager of the Midtown Agency, New York City, of Union Mutual Life. A native of New York, he has enjoyed a record of success, both as a personal producer and as a supervisor.

The past six years he has been with the Camps agency of John Hancock in New York as a supervisor. Previously he had represented Massachusetts Accident and National Life in the greater New York area.

### LAUER AGENCY LEADS

The M. J. Lauer agency, New York City, led all agencies of Continental American in August both in first year premiums and face amount of insurance. Mr. Lauer personally leads the company in personal production for the first eight months of the year both in premiums and volume.

### LEAGUE TO MEET OCT. 3

Speakers at the first meeting of the League of Life Insurance Women of New York Oct. 3 will be G. P. Shoemaker, general agent Provident Mutual, president New York City Life Underwriters Association; J. M. Eisen-

### Hesse Regional Manager of Franklin Life in Wis.

Robert L. Hesse has been appointed regional manager in Madison, Wis., by Franklin Life. He recently had been Madison manager of New World Life under F. J. Voight, agency director there and before that was general agent of Lincoln National Life in Madison for 11 years. He was one of the organizers of the Wisconsin and Madison Associations of Life Underwriters and is a past president of both organizations.



R. L. Hesse

### John M. Hughes Returns to Boston with Home

At a Home Life luncheon in New York, W. P. Worthington, vice-



J. M. Hughes

president and superintendent of agencies, announced the appointment of John M. Hughes as field underwriter in the Warren H. Preble agency in Boston. For the past year Mr. Hughes has been with the sales planning division of the agency department at the home office. Mr. Hughes has acquired a knowledge of the various departments, which gives him a broad background on all phases of company operations.

Mr. Hughes was executive secretary of the Boston Association of Life Underwriters before going to New York where he served as executive manager of the New York association for five years before joining Home Life.

### Walton in Charge for Phoenix in San Francisco

Kearney Walton, Jr., has been appointed supervisor in charge of the San Francisco office of Phoenix Mutual Life, succeeding R. Edwin Wood, who has been manager of the agency since 1940. Mr. Wood will retain the title of associate manager but will devote his time to personal production as he has since November, 1943, although he continued as manager until Mr. Walton's appointment.

Mr. Walton joined Phoenix Mutual in 1941 in the Los Angeles agency after extensive stage and radio experience. After 18 months he was made a supervisor and served in a number of agencies, including Los Angeles, Newark, Rochester and New York.

Mr. Wood started with Phoenix Mutual in 1929 in Seattle. After an outstanding record of production there he was appointed a supervisor in 1936 and served in that capacity in Seattle, San

drath, Guardian Life, president Greater New York Life Managers Association, and R. L. Campbell, New York Life, president Midtown Managers Association. Miss Elsie M. Matthews, Manhattan Life, Montclair, N. J., Miss Mildred F. Stone, Mutual Benefit Life, Newark, and Miss Beatrice Jones, agency assistant Guardian Life, will give the highlights of the Detroit meeting of the National Association of Life Underwriters. Mrs. Lillian L. Joseph, Home Life, president, will preside.

## LIFE AGENCY CHANGES

### Griffin Mass. Mutual General Agent at Albany

Gerald L. Griffin has been appointed Massachusetts Mutual Life general agent at Albany, N. Y. He succeeds William A. Baker who, after being associated with the company for more than 44 years, has resigned due to poor health, but will continue to serve his personal clientele.



G. L. Griffin

Mr. Griffin joined the company in 1928 as an agent at Springfield, Mass. He is a member of the highest production club of the company, the Victory Club, with continuous membership since its organization. He has been repeatedly one of the 100 leading producers.

A past president of the Springfield C.L.U., Mr. Griffin was elected a national director of the American Society at the annual meeting last year.

The Albany agency will continue in the Home Savings Bank building, 11 North Pearl street.

Francisco, Los Angeles, Cleveland and New York City.

Since resuming personal production in 1943, Mr. Wood has been a company premium leader for 10 consecutive months. His paid premiums for the first half of September more than doubled the best previous month's record of any producer in the history of the San Francisco agency. He is a director of the San Francisco Life Underwriters Association and educational chairman and a director of the C.L.U. chapter.

### Melone Made General Agent

D. W. Melone, who has been district agent of Lincoln National at Pittston, Pa., for eight years, now has been made general agent and will maintain offices in the Newrose building. His territory includes Lucerne and Lackawanna counties.

### Opens Indianapolis Branch

Jefferson Standard Life Insurance Company has promoted N. J. Irwin from district manager at Gary, Ind., to manager of the new branch office being opened in Indianapolis.

### Judd to Madison, Wis.

Robert A. Judd has become district manager of Phoenix Mutual Life in Madison, Wis. He became associated with Phoenix Mutual at the home office 20 years ago, and was with that company in Chicago for 15 years. He has been in Seattle for the past two years.

### American H. & L. Shifts

Reginald Snyder has succeeded Harry Putnam as St. Louis manager of American Hospital & Life of San Antonio. He formerly was a district manager in the northern territory. Mr. Putnam

### Ohio Hearing for United

United of Chicago will be given a hearing Oct. 25 by the Ohio department on a charge that it has been accepting applications for life insurance from agents who were licensed only, on the requisition of the company to write accident and health insurance. This is declared to have been contrary to a section of the Ohio code, which became effective last September.

California-Western States Life will provide hospitalization and surgical coverage for members of El Capitan, its leading producers club.



has been transferred to Memphis as manager of a new office there.

### Crutchfield to Assist Talley

Edward H. Crutchfield has been appointed assistant district manager of Shenandoah Life at Petersburg, Va., under W. H. Talley, manager.

A. T. Luck, formerly in the insurance business in Los Angeles, has been retired after 30 years service with the marine corps, and has become manager of the life and accident and health department of the W. I. Hollingsworth & Co. agency.

## POLICIES

### Rates Abroad and Juvenile Scale Are Revised

In the opinion of Metropolitan Life, the risk involved by civilians traveling or temporarily residing outside the continental United States or Canada has been sufficiently lessened to allow reduction of the extra charge for this risk. The reduction applies only on new insurance issued to civilian employees of government agencies or other civilians helping in the war effort. In most instances the extra premium now payable is one-half of that previously in force. The scale is:

	Ann. Extra Prem. per \$1,000	Present Extra Prem.	Previously Charged
Newfoundland, Alaska	None	None	None
mainland	None	None	None
Aleutians	5	5	10
Bermuda	5	5	10
Greenland	5	5	10
Mexico:			
Mexico City and large towns along U. S. border	None	None	None
Other localities, in general	5	5	10
Central America:			
Canal Zone, Panama and large cities	5	5	10
Other localities, in general	10	10	20
West Indies:			
Cuba, Bahamas, Jamaica and Puerto Rico	5	5	10
Other islands, in general	10	10	20
South America:			
Argentina, Chile, Uruguay and all large cities in Brazil south of 20 degrees S.	5	5	10
Other localities, in general	10	10	20-35
Iceland	10	10	20
British Isles, Irish Free State	15	15	20
Spain and Portugal	15	15	20
Russia	15	15	35-50
Other European countries	15	15	35-50
Asia:			
Turkey, Syria, Palestine and Russia	15	15	35-50
Other localities, in general	10	10	20-35
Australia and New Zealand	15	15	20
South Sea Islands, in general	20	20	35-50
Hawaii	5	5	20
Africa	15	15	35-50

\*Not written.

Juvenile rates and nonforfeiture values for policies sold outside New York state have been revised. The same policy forms are available. Death benefit is graded at age 5, according to the following schedule:

Ordinary					
Amount payable provided death occurs after policy has been in force from date of issue for following periods:					
Age	Nearest	Under	1	2	3
Birth-day at	Yr.	Yr.	Yrs.	Yrs.	Yrs.
Issue	\$	\$	\$	\$	\$
0.....	100	200	300	500	750
1.....	200	300	500	750	1,000
2.....	300	500	750	1,000	1,000
3.....	500	750	1,000	1,000	1,000
4.....	750	1,000	1,000	1,000	1,000
5 to 9	1,000	1,000	1,000	1,000	1,000

#### Intermediate

Amount payable provided death occurs after the policy has been in force from the date of issue for the following periods:

Age	Nearest	Under	1	2	3	4 or
Birth-day at	Yr.	Yr.	Yrs.	Yrs.	Yrs.	More
Issue	\$	\$	\$	\$	\$	\$
0.....	100	200	300	500	750	750
1.....	200	300	500	750	750	750
2.....	300	500	750	750	750	750
3.....	500	750	750	750	750	750
4 to 9	750	750	750	750	750	750

Rates were increased slightly and cash, loan, paid-up and extended insurance values decreased in most instances. Rates shown below are annual per \$1,000 ultimate amount in the ordinary department and monthly rate per \$750 ultimate amount in the intermediate department:

Ordinary				Intermediate			
Paid up at age	Pay-End.	20	20	Pay-End.	20	20	End.
20	Life	65	End.	Life	65	End.	65
Age	\$	\$	\$	\$	\$	\$	\$
Under 1	12.20	21.94	13.57	48.12	3.21	0.94	
1.....	12.20	21.94	13.57	48.12	3.21	0.96	
2.....	12.65	22.64	14.13	48.27	3.21	0.98	
3.....	12.91	23.05	14.45	48.38	3.22	1.00	
4.....	13.16	23.42	14.76	48.46	3.22	1.02	
5.....	13.39	23.76	15.06	48.49	3.22	1.04	
6.....	13.61	24.06	15.35	48.47	3.22	1.06	
7.....	13.85	24.38	15.65	48.47	3.22	1.08	
8.....	14.10	24.73	15.98	48.49	3.22	1.11	
9.....	14.37	25.10	16.33	48.52	3.22	1.13	

### Peoples Life, Ind., Reduces Age Limit on Juvenile Form

Peoples Life of Indiana has reduced the age limit to birth on its 20-payment life guaranteed premium reduction policy. Heretofore, the policy was written ages 5 to 14 only. In lieu of reducing premiums, coupons may be accumulated to pay up the policy, to mature it or to provide an income at age 65, ranging from \$8.82 to males or \$7.89 to females for ages under six months at issue to \$8.00 males or \$7.16 females for policies age 14 at issue. The payor benefit clause may now be included in this policy, providing waiver of premium to insured's age 21 in event of death or disability of payor. Rates follow:

Payor Benefit Premium					
Age of Insured	Prem.	25	35	45	50
0.....	\$24.25	\$24.44	\$3.07	\$3.76	\$4.90
1.....	24.45	2.38	2.98	3.61	4.72
2.....	24.65	2.35	2.91	3.51	4.58
3.....	24.85	2.28	2.80	3.37	4.38
4.....	25.10	2.20	2.68	3.21	4.15
5.....	25.35	2.12	2.56	3.05	3.91
6.....	25.60	2.02	2.43	2.88	3.66
7.....	25.90	1.92	2.29	2.71	3.42
8.....	26.25	1.82	2.16	2.54	3.19
9.....	26.65	1.73	2.03	2.37	2.95
10.....	27.10	1.63	1.93	2.21	2.73
11.....	27.60	1.52	1.77	2.04	2.51
12.....	28.10	1.39	1.60	1.83	2.24
13.....	28.65	1.26	1.46	1.65	2.01
14.....	29.20	1.11	1.30	1.47	1.78

## ASSOCIATIONS

### Woodson, Hobbs to Speak at Chicago Regionals

B. N. Woodson, vice-president Commonwealth Life, and Philip B. Hobbs, Chicago manager Equitable Society and secretary of the National Association of Life Underwriters, will speak at the regional meetings of the Chicago association on Oct. 24 at the Edgewater Beach Hotel; Oct. 25, Southmoor Hotel; Oct. 26, Graemere Hotel. Sessions will start at 2:30 p.m. A loop meeting will be held at 10 a.m. on Oct. 26, at the La Salle Hotel.

### Davenport Sets Season Program

Charles Kuttler, National Life of Vt., discussed details of the National association convention in Detroit at the September meeting of the Davenport Association of Life Underwriters.

The association has announced future programs. On Oct. 13, Earl M.

### Long Term Farm Financing

Equitable Society has named Valley National Bank of Phoenix, Ariz., to make capital loans for long-term farm financing. The plan, successful in other parts of the country, is being introduced for the first time in Arizona.

Schwemm, manager Great-West Life, Chicago, will discuss "Sales Ideas in Today's Market"; in November Harold J. Cummings, agency vice-president of Minnesota Mutual, will speak; the December meeting will be a stag party; in January John H. Jamison, Chicago general agent of Northwestern Mutual, will speak. In February the "ladies' night" program will be given; in March Prof. William B. Bailey, Travelers economist, will discuss "What's Ahead," and in May T. H. Tomlinson, sales promotion manager of Bankers Life of Iowa, will discuss "Getting Set for Sales."

San Angelo, Tex.—The association has adopted a resolution praising the work of Commissioner Lockhart and recommended to the governor that he be reappointed.

Northern New Jersey—Leon Gilbert Simon, Equitable Society, New York, talked on "Salesmanship—1944 Style" at a luncheon meeting in Newark.

Rock County, Wis.—At the fall meeting in Beloit, Wis., James L. Calhoun, district manager of the social security office there, spoke on the present act, its provisions and probable changes and extension of benefits to additional groups and coverages. Joseph Betker of the state occupational extension service announced reopening of the class in life

insurance at the Beloit vocational school Oct. 2. Adolph Samuels, Northwestern Mutual Life, was elected a director to succeed Victor Lundberg.

Buffalo, N. Y.—Joseph E. Silverstein, Mutual Life, will speak at the opening meeting, held jointly with the Buffalo C.L.U., Oct. 6, on "Prestige Must Be Earned." President Stanley C. Collins of the Buffalo association will preside, and Harlan M. Walker, president of the Buffalo C.L.U., will introduce the speaker.

Oklahoma—The executive committee met with the national committeeman to discuss plans for the year. President J. I. Venters, Prudential, Enid, was congratulated on the increased membership, 386, an all-time high. This includes two recently organized local associations—Shawnee and McAlester. Initial plans for the annual sales congress to be staged later in the season were outlined.

Oklahoma City—The season was opened by a joint meeting with Oklahoma City C.L.U. chapter and Oklahoma City General Agents & Managers Club. John P. Williams, educational director of the American College, was key speaker.

Indianapolis—Paul Spelcher, R. & R. Service, spoke at a luncheon meeting Thursday. Earl Moomaw presided.

Jacksonville, Ill.—L. T. Oxley, general agent Country Life, national committeeman, reported on the Detroit N.A.L.U.

## As WE See It!

Business is often a complex thing . . . yours and ours alike. But way down deep we like to think we still value the time-worn things.

And one of the things we value most is plain, old-fashioned loyalty. For to us, it seems, you get what you give . . . that the fibres run both up and down.

Our Home Office and Field are bound by that link which Kipling so aptly once phrased:

"For the one will do what the other requires  
As soon as the need is shown;  
And hand in hand they can make a stand  
Which neither could make alone!"

For 97 years we're happy to say that's been Union Mutual custom!



**UNION MUTUAL**  
LIFE INSURANCE COMPANY  
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Rolland E. Irish, President  
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meeting, and E. M. Spink, general agent Columbian National Life, state committeeman, told of Illinois plans and activities.

**Pittsburgh**—Earl M. Schwemm, Chicago manager of Great-West Life, addressed the meeting Thursday on "Sales Ideas in Today's Market." The sales congress of the Pennsylvania state association is being held here Oct. 19.

**Kansas City**—At the first fall meeting Wednesday, Jul B. Baumann, Pacific Mutual Life, Houston, N.A.L.U. trustee, spoke on "The Buyer's Field."

**Minneapolis**—At the first fall meeting Governor Thye discussed "Problems of the State in Relation to the Future of Life Insurance."

The agents qualification examinations being given by the insurance department came in for some attention.

**Birmingham, Ala.**—John P. Williams, educational director of the American College, spoke on the C.L.U. work and general education for life men.

Pat McGauly, former president, reported on the Detroit convention.

**Yakima, Wash.**—Floyd L. Lewis, Bankers Life of Des Moines, has been elected president.

**Des Moines**—At the first fall meeting, Hugh S. Bell, Seattle general agent of

Equitable of Iowa, newly elected N.A.L.U. trustee, spoke. A floor show was presented.

**Pittsburg, Kan.**—The association has voted to handle the solicitation of industrial plants for the Community Chest drive with P. J. Akins, Mutual Life, former secretary, as chairman.

**Panama City, Fla.**—An association has been organized and will affiliate with the N.A.L.U. Officers are: President, E. A. Booke; secretary, C. T. Dickerson; treasurer, R. N. Hartsfield.

### Discharged Service Men Urged to Apply for License in California Promptly

SAN FRANCISCO—Former insurance men who wish to be relicensed are urged by Commissioner Garrison to apply to the California department as soon as they are discharged from active service. In a special bulletin Mr. Garrison points out that to avoid the necessity of being required to retake the qualifying examinations for various types of insurance licenses, the returning veteran

should apply to the insurance department and pay the fee therefor, to secure licenses of the type held by him on his entry into the military service within the license period when he is discharged. However, if he is discharged during the last six months of the license period, such application must be made within six months after discharge.

Mr. Garrison suggested that company officials, branch managers, general and local agents and associations furnish the department the names of insurance licensees in service or recently discharged, with the postoffice address, and the department will mail them a bulletin outlining procedure by which licensees can revive licenses.

### Suspension Action Reversed

LOS ANGELES—California supreme court in a decision reversed judgments of lower courts which sustained the insurance commissioner in suspending the license of a life agent. The case is one that has been before the department and the courts since 1941.

O. H. Collins, agent Great States Life, a Chapter 9 company, seized by the department after a hearing on charges of misrepresentation was suspended for six months. He appealed to superior court for a writ of mandate against the commissioner but this was denied and his appeal was dismissed. The appellate court upheld the superior court and Collins carried the case to the highest court.

and Brady Buckley, Springfield, Mass., agencies in Hartford.

### Training Within Industry Talks

At the first fall meeting of the Life Agency Cashiers Association of Los Angeles, David Clayner and Claude Bird, representatives of the "Training Within Industry" division of the War Manpower Commission, spoke on the "Four-Step Plan for Improving Job Methods."

### Hear Chapman in Pittsburgh

L. W. S. Chapman, director of service of the Sales Research Bureau, will speak on "Building Tomorrow's Manpower Today" at a meeting of the Agencies Committee of Pittsburgh, Oct. 2.

### Woodson Speaks in Columbus

B. N. Woodson, vice-president of Commonwealth Life, Louisville, will address the Life Managers & General Agents Association of Columbus Friday evening at its first fall meeting on "The Last Leap in Leap Year."

Mr. Woodson also will address the Columbus Life Underwriters Association on Sept. 29.

## SALES MEETS

### Franklin Life Ala. Meetings

President Charles E. Becker presided over agency meetings of approximately 50 Alabama agents on Franklin Life's new policy forms and sales ideas. The meetings were held in Montgomery and Birmingham. A number of prepared talks were given and open forum discussions followed each meeting. Assisting Mr. Becker were Vice-president A. V. Mozingo and W. W. Chamberlin, Jr., southeastern states manager.

### Whiteley Speaks at Wausau

H. E. Whiteley, superintendent of agents of Central Life of Des Moines, spoke at a sales meeting of the C. C. Tucker agency at Wausau, Wis.

### Managers to Confer in Madison

North American Life & Casualty will hold a district managers conference in Madison, Wis., Oct. 4-6.

## MANAGERS

### Recruiting and Financing Are San Antonio Topics

The San Antonio Life Managers Club heard George A. Martin, Atlantic Life, outline his methods for recruiting and D. J. Farrell, Pacific Mutual Life, describe the plan he follows in financing agents.

Mr. Martin said he uses a combination of direct mail, advertising in local papers, centers of influence, endless chain and personal contacts which he and his agents make. He strives always to get the prospective agent to come to his office and when the prospect comes in, he is asked why he is interested in life insurance selling. The idea that the agent is not trying life insurance but that life insurance is trying him is stressed in giving the new man the right attitude toward the work he is considering.

The salary plus plan, Mr. Martin believes, must be flexible and enable the manager to adjust the amount to be paid the agent instead of cancelling the agent's contract when he falls short of his agreed performance.

Mr. Farrell brought out the importance of having a man check his earnings against his time and that he be able to know just how much money he can carry home with him each week. This requires a system of daily reports. It enables the manager and the agent to know at the end of each week just how much the agent has earned and what the size of his check for the week is. The agent is credited with the commission earned on sales for the year and when he has a lapse it is charged to his account and deducted from the reserve he has built up.

### Dolwick, Cundy in Rochester

Raymond J. Dolwick, assistant director of agencies of Northwestern Mutual Life, and Howard Cundy, agency assistant, addressed the dinner meeting of the Life Managers & General Agents Association of Rochester, N. Y., Monday. On Tuesday they spoke at a joint meeting at Auburn, N. Y., of the general agencies of Earl E. Lincoln of Rochester, and Henry N. Files of Syracuse. Their itinerary for the week also included S. N. Kenyon general agency, Utica; E. R. Gettings, Albany, and joint meeting of Glenn B. Dorr, Hartford,

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**86**

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## GENERAL AMERICAN LIFE INSURANCE COMPANY

WALTER W. HEAD, Pres.

St. Louis, Mo.



## Crippen Is Named L. O. M. A. President

(CONTINUED FROM PAGE 1)

Among these practical applications were the following:

Mutual Life developed in cooperation with the Keysort Company a new electric vibrator sorting machine for Keysort cards. In one type of operation this machine reduced the time needed to one-seventh of that previously required and the increase in production made it possible to reduce the former staff of 17 clerks to 3.

Massachusetts Mutual collaborated with a tool manufacturer in developing a special machine to imprint endorsements on policies—both new and old issues—which has proven very satisfactory and required very little maintenance care. One of the main difficulties with this operation has been to find equipment that will print on folded sheets without taking the policy apart and at the same time provide a neat appearing imprint.

### Protect Punched Cards

Milton Effros, Metropolitan Life, a member of the committee, invented and patented an ingenious compressor block for punched card file drawers which keeps the cards shoved together and in proper condition when the drawer is closed yet automatically releases them when the drawer is opened.

Connecticut General after considering various methods in modernizing its dividend accounting procedure on its 40,000 participating policies decided on the Keysort method because of the large portion of clerical time spent in various sorting. It was felt that the computations of the dividend and interest in the case of accumulated options was too simple mathematically to warrant the use of either punch cards or bookkeeping machines.

Mutual Life devised a plan for simplifying payroll accounting. Under the new plan there is only one payroll a month but employees receive paychecks on the 15th and last day of the month just as formerly. The mid-month payment represents "salary on account" and amounts to one-half of the net monthly salary to the nearest even dollar. The net monthly salary is the monthly salary less deductions. The amount of the mid-month payment remains constant unless there is an appreciable change in salary or deductions.

### Prints Form on Both Sides

Phoenix Mutual effected a substantial saving in paper, a simplification in stock handling in the home office store room, and a reduction in the number of forms required in the field offices by using a change of beneficiary form printed on both sides. One side is for use when the contract calls for the return of the policy for endorsement, the other being used when the policy is retained by the policyholder.

Massachusetts Mutual developed a unit set form of five parts fabricated in continuous form. This new set of forms eliminates the time formerly required in the agency offices to enter the items on their report forms and also saved the time of checking the report against a carbon which was formerly retained in the home office. There is also a 20% saving in printing cost.

"Systemats" which are Multilith plates preprinted with transferring ink and on which typewritten material is filled in, are used by New England Mutual, which has also developed a geographical index by agency territories as a convenient reference for handling policyholders' changes of address.

### Uses Fewer Messengers

Mutual Life uses a process chart to illustrate step by step routine, thereby eliminating several checking operations in an underwriting procedure. The same company by reorganizing the routes and schedules of the office messengers was able to get along with 22 fewer messengers.

One home office by conserving the use of electric light and power saved 33%

in kilowatt hours and \$3,500 over the previous year.

Connecticut General saves \$3,000 a year by preparing policy record cards and addressograph plates on new policies only after the initial premiums have been reported paid. Applications for the unpaid policies are kept in a pending reference file.

### Microfilm Claim Records

A year-end job of typing unsettled group claims has been eliminated in one company by microfilming the record cards for those cases, the new method being cheaper and quicker.

John Hancock Mutual effected material savings by installing rotary files for monthly debit history cards, eliminating the need for removing cards from the files for reference or posting work.

New England Mutual in one installation, increased the output of Graphotype machines by 25% and Dupligraps by 50% by equipping the machines with higher ratio pulleys, the increase being obtained without any impairment of equipment or added maintenance.

### Use of Punched Cards

J. L. Batchler, controller of Kansas City Life, summarized his extensive and comprehensive paper, of which he distributed copies. This paper gave a complete description of one of the most extensive applications of punched card equipment to be found in any life company office.

Mr. Batchler said that it is not to be assumed that punched cards are the solution to all accounting problems for all companies, for by the very nature of the thing punch cards are for volume operations. The size of the company, the type of the business, the requirements of management and the volume of individual operations are all things that should be considered. In the very young company all accounting records may well be kept in pen and ink while later a conventional accounting machine may be added. As the company grows, cards may be used for valuation only and still later for all accounting and valuation. Even the giant companies may find it impractical to incur the expense of transferring an operation to punched cards and to a master file all at one time. It is a matter to be decided by the facts, conditions and desires of each company or each accounting operation.

### Sketches New Developments

Future developments will give the punched card accountants new and better tools, Mr. Batchler said, and no doubt these improvements will come gradually as they have in the past. He said that actually only three basic changes have been made in the last 25 years or more. These were from numerical equipment that totaled but did not print to the numerical printing tabulator—then to the alphabetical printing machine and then to an increase in card capacity from 45 columns to 80 and 90 columns. Other improvements have been in additional new machines or in attachments to existing machines.

### Increase Card's Capacity

It stands to reason, he said, that in an industry where the major income is from rentals, nothing will be done to make the product become obsolete much faster than the normal rate of depreciation. However, it is believed that a substantial increase in each card's capacity is due in the near future, he said. This will no doubt make it possible to produce premium and other notices from one card. A device for punching information in tapes for transmittal to the home office where cards may be automatically punched is in process. This may make it possible to punch a branch office report on the tape and then to reproduce the report on punched

cards for the normal punched card accounting procedure when it reaches the home office.

The paper presented by T. T. Taber of New York Life, now in the service, describing some of the problems of preparing a branch office manual and maintaining it, said that the following specific benefits may be expected from a good manual: A substantial increase in the over-all efficiency and saving of time in the branch office and in the home office because the operating personnel has all the rules and practices of the company at hand and in such a form as to be instantly available for reference; establishment of a uniform service of high standard in all branch offices or agencies resulting from the adoption of standard rules and procedures prescribed by the branch office manual; substantial reduction in the offices or agencies resulting from the volume of correspondence between home office, branch offices, policyholders and field force because operating personnel is supplied with rules and requirements of the company; improved and expedited service to policyholders with consequent reduction in errors and delays, thereby promoting increased good will for the company; a better service to the field force, thereby reducing the amount of time required of agents for office detail and pa-

per work; a reduction in operating expenses due to increased efficiency of the individual worker and to the better utilization of the personnel as a whole; a substantial saving in the break-in period required for an employee to learn a new task or a war veteran to become readjusted, and a definite improvement in employee morale and interest in the work due to the establishment of training courses using the manual as a text book.

### T. W. I. PLAN

Dr. L. M. Ferguson, field training division Metropolitan Life, and chairman of L.O.M.A.'s clerical study committee, presented a paper on the development, installation and administration of a comprehensive wage and salary evaluation program under present day legislative control. He reviewed the experience to date in meeting the War Labor Board and Treasury requirements for salary adjustments in accordance with an approved salary plan.

Leading a panel discussion on plans for employees returning from the armed services, H. W. Foskett, financial vice-president of Equitable Life of Iowa, told what that company is doing. He indicated that readjustments that will

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## THE STATE LIFE INSURANCE COMPANY Indianapolis, Indiana

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be necessary do not appear to be complex or numerous.

Enthusiastic over the results of the Training Within Industry program started by Prudential in March, 1943, Robert M. Green, vice-president, said the program has resulted in a better understanding of the personnel department and its problems by line officers and managers and it has improved the self-confidence of managers in the technique of handling personnel problems.

#### Stimulates Suggestions

The training period for those transferred from one department to another and those moving up to more advanced work has been shortened somewhat and a more thorough job of training is being done, Mr. Green reported. The program has been very successful in training part-time high-school youngsters, as many as 850 boys and girls being employed at times by Prudential to do messenger and file work and simple clerical jobs. "We have an idea that we might have had some trouble with them if our training procedures had not been improved," Mr. Green observed.

Job methods training classes also stimulated suggestions. For many years Prudential has had a very live and active

suggestion system resulting in 2,200 to 3,500 suggestions a year. Immediately after the classes were started, 1130 suggestions were received from the home office and 324 more from the mortgage loan branch offices. In spite of a reduction of over 30% in the home office staff, the number of suggestions still coming in are larger than normal. Although this is an intangible result, Mr. Green said that one of the principal responsibilities in the handling of home office personnel is to stimulate progressive thinking and prevent the ever present spirit of resistance to change and the tendency to rigid fixation of practices. Generally improvement is largely the responsibility of the executives and staff organizations but by training several hundred employees in supervisory positions under the job training program, the latter now have the added responsibility for job improvement.

#### Well Worth While

Mr. Green said his company is convinced that the hours and effort spent on the T.W.I. program were well worth while. It took over a year to complete the program but during that entire period "we were conscious of the fact that our home office organization was

stimulated to an unusual degree." Supervisory heads liked the plan and they felt that they were being given something valuable that they could make use of in their daily work. The T.W.I. program has been helpful in accomplishing the difficult adjustments which had to be made in view of help shortage, the clerical staff at the home office having been reduced from 9,040 to 7,468.

#### Will Continue Courses

Prudential is planning to continue the T.W.I. courses for all those who are promoted and for those returning to supervisory positions from military service. Using the job methods training as a foundation it expects to continue an extensive decentralized work simplification program. Although a centralized methods department has done a satisfactory job in installing new procedures and reorganizing work, its functions will now be supplemented by the efforts of several hundred trained supervisory people. Although the job training courses are definitely training and not education they can be used effectively as a basis for rather extensive home office educational programs, Mr. Green emphasized. The job training program can be very stimulating in any organization, serving both to improve technique and morale.

In installing the program, Prudential accepted the plan wholeheartedly and made a special effort to get everyone from the top officers down enthusiastic about the plan, thus insuring full cooperation.

#### EDMUND FITZGERALD

Edmund Fitzgerald, vice-president of Northwestern Mutual and president of the L.O.M.A., in his address said the organization as it has gone along has assumed real character and gained stature. It has gained an ever-widening acceptance. In speaking of post war work he said home office operations will be challenged by factors and forces which will require the best talents and abilities of management. He declared that

Fitzgerald expressed the hope that office heads will be able to do this job not only as good managers but as good citizens. The spirit and manner with which these returning people are employed, he said, will assist them in the choice of permanent careers.

The association, he said, will direct its attention toward the adaptation and effective use of management technique developed under the exigencies of war. He mentioned a few fields which he believes may well claim the attention of managers and methods men:

#### Some Problems to Consider

1. What is the optimum work week which will retain the recruiting advantage we had before the war, because of our short work week, and still enable us to compete for high grade help, under a drive for a national policy of high weekly wages and a guaranteed annual income which seems to be developing?

2. Are we going to continue the trend to higher proportions of women in our staffs, with consequent greater turnover? If so, are we prepared to do more formal training for lower grade jobs? If we through this policy thus abandon the wide choice for selection of leaders, will we offer more specialized training for the fewer carefully selected men and women of ability who enter our business as a career and advance to positions of responsibility and leadership?

3. Will we resist the resumption of activities discarded for the duration of the war and yet to be missed?

4. Can we and will we promote an amicable and mutually accepted understanding of the place of planning, methods and line and staff functions, and see that everyone adheres to the principles adopted?

Mr. Fitzgerald said that the demand for and interest in better methods and more efficient management will of necessity grow and will strengthen within the business. There is the desire of one's own people to do a better job, then there is the pressure of public opinion and inquiry.

#### Will Be More Regulation

The future, he said, surely does not promise less regulation and then margins from loading for expenses will be increasingly important in providing funds for policy or stockholder dividends. There is a decreasing contribution of excess interest earnings. Mr. Fitzgerald said he could not prophesy the course of mortality savings but he did say that in many companies margins from loadings are now second in size rather than third in their contribution to surplus funds.

Good management, he asserted, will and should give wider recognition to the investment, their nature rather than the expense funds devoted to methods study and operational improvement. The trend of the return on these investments, he said, has not and will not be downward.

#### Many Insurance People on Safety Congress Card

A number of insurance people will participate in the National Safety Congress and exposition in Chicago Oct. 3-5. Included are Dr. Donald D. Armstrong, third vice-president of Metropolitan Life, who will preside at the home safety and women's program session; Walter S. Paine, engineering department manager of Aetna Life affiliated companies, and vice-president for industrial safety of the National Safety Council, who will participate in the program of the industrial nursing section; Dr. Lydia G. Giberson, Metropolitan Life, who will discuss industrial psychiatry; Harold R. Bixler, personnel director Mutual Life of New York, who will preside at the session on seeing for safety; and W. Graham Cole, assistant secretary of Metropolitan Life, who will open the session on street and highway traffic.

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EDMUND FITZGERALD

the life companies will emerge from the war period with their strength intact and their ability to serve unimpaired.

Steps have been taken to liquidate properties acquired during the depression, to dispose of securities not regarded as suitable for retention, to build up contingency reserve, to bulwark insurance reserves, to lower interest assumptions, to study and adopt methods for better sales efforts and to train those who represent the company in the field.

#### Assimilating Service Men

The companies, he said, have done much toward planning for the assimilation of those in war service. The last man back, he said, will be as welcome as the first. The last man out, he said, will have the same opportunity for promotion and reward as did the first. Mr.



## Give Majority, Minority Reports

(CONTINUED FROM PAGE 2)

anti-trust laws to insurance. Congress has the clear duty, according to the report, to reaffirm its purpose and intent that federal anti-trust laws be not applicable to insurance. It has been charged, the committee pointed out, that the enactment of the Walter bill will grant an exception of the insurance business from anti-trust laws. Construing the intent of Congress when the anti-trust laws were enacted the legislation could have no such effect because it was never the intention of Congress nor even the courts until recently to have anti-trust laws apply to insurance. The committee unequivocally takes the position that if insurance is to be made subject to the anti-trust laws it should be done by an express act of Congress which is the law making and policy fixing body of the government.

### MINORITY REPORT

The six members of the Senate judiciary committee who voted against the Bailey bill to exempt insurance from the federal anti-trust laws in their minority report to the Senate state that this measure fails to meet the issues projected by the decision of the Supreme Court in the S.E.U.A. case and contend it would leave the insurance industry definitely under the commerce clause of the constitution without a law to regularize and support state jurisdiction.

The minority contend that the bill would not preserve regulation of insurance by the states but would only repeal the anti-trust laws so far as this business is concerned. It could not overrule the decision of the Supreme Court that insurance is commerce.

When the Supreme Court interprets the constitution it is beyond the power of Congress to change that interpretation, for Congress cannot amend the constitution. Although Congress can repeal or amend any law dealing with commerce the mere repeal of the anti-trust law so far as insurance is concerned cannot reverse the Supreme Court decision. It does not afford to the insurance industry a constructive solution of its current problems which is now so sorely needed.

#### Says Bill Misunderstood

According to the minority, the bill has been misunderstood from the beginning by many of those who have been most active in urging its enactment. The language merely provides, the minority report states, that the anti-trust laws shall not be construed to apply to the business of insurance, to apply to acts in the conduct of that business or to impair the regulation of that business by the several states. It deals, the minority states, solely with the anti-trust laws and not with any other act of Congress. It means only that the insurance business may be conducted as though the anti-trust laws did not exist.

"It means, therefore, that any persons engaged in this business may be permitted to conspire together to commit any of the abusive practices which it is the purpose of the anti-trust laws to prohibit. Monopoly in insurance, so far as the federal law is concerned, will then be legal. Conspiracies to restrain trade, conspiracies to boycott legitimate business, conspiracies and agreements, the purpose of which is to eliminate competition will be positively eliminated from the scope of the federal law. The passage of the bill will therefore be notice to the public that Congress has withdrawn from them the protection of the Sherman act and the Clayton act so far as the insurance business goes."

The report states that until this year the direct question was never presented to the Supreme Court as to whether or not any federal law of Congress, under the commerce clause, applies to insur-

ance. In all the previous cases the question was whether or not a state law applied to the insurance business.

"The court always upheld the state law and because it would we are now asked to strike down a federal law. Manifestly there is no logical connection between the two propositions."

#### State and Federal Laws

All through the history of this government, the report declares, state laws and federal laws have been permitted by the courts to apply to the same subject at the same time and there is no reason in law or in common sense why this conditions should not continue to exist with respect to insurance.

"Indicted in the federal court under the anti-trust laws on the charge of having conspired to fix the premium rates that consumers should pay and the commissions that agents should receive and of having boycotted other legitimate business and employed intimidation and coercion to compel other insurance companies to join in their agreements, the defendants rushed to Congress for a bill to head off the prosecution before the courts could act. This is the explanation of the tremendous pressure which has been applied to force this bill through Congress."

"The issue is not the power of the states to regulate insurance, but the power which certain insurance combines have seized to drive out competition by monopolistic practices."

No other federal law will be affected, the report asserts. The Robinson-Patman act, federal trade commission act and any other law of Congress dealing with commerce will apply to insurance even though this bill should be passed.

#### Interstate Organizations

"In the fire insurance field the insurance companies themselves have formed vast interstate organizations to govern and regulate the business. The National Board of Fire Underwriters, for example, is a national board. The Interstate Underwriters Board is, as its name suggests, an interstate board. The Insurance Executives Association is a national organization and there are several regional groups, all of which were created for the purpose of regulating the conduct of the business in the interstate field."

"The formation of these organizations is a recognition by the insurance industry itself that the business has an interstate character as well as a local character. If this bill, as reported by the Senate committee on the judiciary, should be passed it would merely be a declaration by Congress that although the insurance industry is organized on an interstate and foreign basis, the Congress is not concerned with the nature of the activities of these and similar organizations. It is not so much what may have been done in the past that should be taken into consideration, but what could be done in the future if this bill should be enacted. If the protection of the federal anti-trust laws is formally withdrawn from the people, the difficulties of state regulation will be multiplied. Theoretically the states may prohibit monopolistic practices, but practically it is impossible for the states to cope with the gigantic organizations that now carry on this business across both state and national lines."

"Moreover, we are dealing not alone with insurance as such, we are dealing with the fiscal power of the insurance companies. The savings of the people in the hands of insurance companies are invested in interstate and foreign commerce. The organizations which handle these investments are interlocked with the business of the country. When we say that the anti-trust laws shall not apply to insurance or to any acts in the conduct of that business, as this bill does, then we say that investments of insurance funds may be made anywhere in interstate and foreign commerce

without regard to the federal laws against monopoly."

The report reviews the deliberations of the insurance commissioners on the problem and refers to the fact that the N.A.I.C. intends to submit a program to Congress.

"Surely it is a strange way for Congress to defend states rights by declining to await the specific recommendations of responsible state officials," the report concludes.

## Life Business Affected More Than It Believed

(CONTINUED FROM PAGE 2)

act to the business of life insurance. The underwriters' association also took an affirmative step when they revised their legislative procedure for the purpose of informing themselves concerning federal legislation and its effect on the business of life insurance."

#### Will Need to Watch Legislation

It will be absolutely necessary in the future, he said, to follow carefully all federal legislation enacted under the commerce clause of the constitution, to determine definitely the effect of such legislation on the conduct of the business. If the practice sought to be regulated by the federal government through legislation is already adequately regulated by the states, he said, those who believe in the continuance of government close to the people should militantly oppose such legislation.

The life insurance business definitely becomes subject to the provisions of the federal trade commission act, Mr. Harrington asserted. There is, he said quite a similarity between the powers granted this commission and the powers presently conferred on insurance com-

missioners by state legislatures. This duplication of supervisory authority is significant. The possibilities for interference with orderly conduct of business and conflict between state and federal authority are prolific. State laws, as a rule, he said, contain some pattern which directs and warns those to whom the law apply as to how they may comply with such laws. The powers of the federal trade commission are not confined to such practices as would be unlawful before it acted, but it is their "duty to discover and make explicit those unexpressed standards of fair dealing which the conscience of the community may progressively develop."

In view of the fact that many state laws hold the insurance broker to be a representative of insured, the applicability of the Robinson-Patman act to the insurance business would prohibit payment of commissions by an insurance company to brokers, he said. This application of the law largely rests on the probability that the Supreme Court may construe insurance to be a commodity, but Mr. Harrington believes it more than likely the court would hold the act applicable to insurance on the ground that it is a commodity.

Mr. Harrington wonders if the states can continue to differentiate between domestic and foreign companies in taxation without being charged with unduly burdening commerce. This is a field in which the general public, whether purchasers of insurance or not, are likely to be affected as a result of the decision. In Massachusetts, for example, he said, in order to validate the premium tax, it might be necessary to reduce the tax on foreign companies to 1%, with a loss of approximately \$2½ million to the state, or increase the tax on domestic companies, resulting in an increase of more than \$1 million in domestic company taxation on Massachusetts premiums only. In event of a tax reduction, citizens of Massachusetts would have to make up the difference; in the event of an increase the burden

## THESE MEN "GOT A ZERO"

—But What a Zero!

It is generally agreed that the first and second year in the life of a life insurance policy are the "critical years."

The INDIANAPOLIS LIFE INSURANCE COMPANY congratulates the following men whose lapse ratio for the first six months of 1944, on business paid for in 1943, was "O" PER CENT. We also congratulate a host of others who, likewise, had phenomenally low lapse ratios.

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J. T. McCLELLAND.....	TEXAS
ERNEST HERZOG.....	MINNESOTA
J. J. PAWLOSKI.....	ILLINOIS
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EDWARD B. RAUB  
President

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Supt. of Agencies

must be borne by the purchasers of insurance. The situation in some other states is more extreme, he said.

## FRATERNALS

### K. of C. to Set Up Trust Fund for War Children

An educational trust fund of \$1,000,000 for the benefit of children of Knights of Columbus members who may die in the war or in a period of 10 years following its termination from a service connected cause or may be totally disabled due to military service, was voted by the supreme council at its meeting on Toronto. A semi-annual assessment of 25 cents for the purpose was authorized. Voluntary contributions to the fund will also be accepted.

#### New Directors

Directors elected for a three year term are M. J. Howlett, Chicago; J. F. Martin, Oklahoma City; J. A. Franigan, Catonsville, Md.; J. M. Donohoe, Huntington, W. Va., and Dr. C. D. Kerrigan, Davenport, Ia.

#### Lady Foresters Elect Officers

Mrs. Frances Malecki, New York City, was elected supreme commander of Lady Foresters of New Jersey, New York and Pennsylvania at its convention in Atlantic City. Other officers elected are: Sub-commander, Mrs. Florence Feister, Philadelphia; financial secretary, Mrs. Agnes Brady, Philadelphia, reelected; treasurer, Mrs. Rose Corforis, Union City, N. J.; councillor, Miss Mary A. Selin, Philadelphia. Mrs. Brady has been financial secretary for about 35 years.

#### Campaign for Pres. Ekern

The testimonial drive for Hermen L. Ekern, president of Lutheran Brotherhood, is running a quarter million dollars ahead of September, 1943. A goal of \$2,000,000 volume for September has been set by N. K. Neprud, superintendent of agencies. September will be the 16th month that the society has exceeded a million dollars production, he reported. The business put-in-force in August was \$2,145,000, whereas issued business was

\$1,700,000, the difference having been carried over from July.

#### Unity L. & A. Victory Dinner

Plans are being completed for the Victory dinner to be held in New York the latter part of October for those agents of Unity Life & Accident that qualified in the recent Lee-Syd campaign in honor of Secretary L. J. Bayley and Sydney Randall, superintendent of agents. The entertainers will be recruited from the ranks of the qualifiers. The event will be held at the Empire Hotel.

#### New Insurance Counsellors

C. H. Young, Order of Railway Conductors, Cedar Rapids; Squire Whitaker, Modern Woodmen, Rock Island; Leo J. Wagner and T. J. Kinane, Knights of Columbus, New Haven; Edwin H. Ross, Lutheran Brotherhood, Minneapolis; C. W. O'Connor and E. B. Morris, Woodmen of the World, Omaha, have been awarded the degree of insurance counsellor by the Fraternal Field Managers Association.

#### Aleshire Now in Chicago

O. E. Aleshire, former Chicago local agent and ex-president of the Chicago Board of Underwriters, and later president of the Modern Woodmen of Rock Island, Ill., who has retired from that office, has purchased an apartment building at 6901 Oglesby avenue, Chicago, where he will reside. Mr. Aleshire is out of insurance but he visits his agency, Parker, Aleshire & Co., in the Insurance Exchange building, Chicago, now and then. He is now engaged in writing a history of the Modern Woodmen from 1926 to the present time. There is a large amount of material.

## IN U. S. WAR SERVICE

Lt.-Col. J. A. McNulty, in civilian life a New York ordinary agency manager of Prudential, is provost marshal for Greater New York, in charge of war prisoner assignment to camps throughout the country. He entered the army as a captain in April, 1942. During his absence, E. B. Eichengreen is acting manager of the Times Square agency.

Charles E. Lafferty, formerly with

Penn Mutual Life in Milwaukee, has been promoted to major and is now adjutant for an air base unit with headquarters in San Francisco.

Capt. G. Chapman Caldwell, a member of Gen. Eisenhower's headquarters staff in England, has been placed on the inactive list after two years of service and is back with the Schnell agency of Penn Mutual in Peoria. Serving with the intelligence division of the allied expeditionary air forces, Captain Caldwell's job was to help pick enemy targets.

Lt. L. B. Arwin, U.S.N.R., former Michigan state agent of Bankers Life of Nebraska, is visiting friends and former associates in Detroit while on leave from his duties on the Atlantic. Before his connection with Bankers, he was general agent of Old Line Life and before that was assistant to the president of the old Detroit Life.

The service flag in the rotunda of Massachusetts Mutual home office shows that 350 employees and agents have entered the armed forces. It also bears four gold stars, in memory of those who have made the supreme sacrifice.

Charles F. Wilber, formerly with the W. M. Hammond agency of Aetna Life in Los Angeles, and now with the 7th army in France, has been promoted to lieutenant colonel.

### Hopf Tells L.O.M.A. How to Boost Executive Efficiency

(CONTINUED FROM PAGE 3)

increasing size of operations as the principal goal to be attained; (5) a rather pronounced urge to become the recipients of various titular designations as emblems of prestige; (6) a comparatively limited interest, certainly up to within recent times, in the values to be extracted from comprehensive and sound application of principles of organization; (7) a noticeable degree of reluctance to reduce to permanent form and to publish the facts regarding existing internal organizational relationship; (8) a relative lack of awareness of the growing need for formal training in the broader aspects of management; (9) a tendency toward bureaucratic conditions which seem to develop in direct relation to the factor of size; (10) a degree of cost consciousness which often addresses itself to secondary considerations at the expense of more important aspects of institutional administration; (11) inadequate recognition of values attaching to the effective development of essential instruments of control; (12) finally, undue adherence to the operation of a law of seniority in promotions.

#### Cites Major Principles

Dr. Hopf said that there are certain principles which demand acceptance and observance if the process of organization is to be soundly accomplished and its product, the structure, is to be made responsive at all times to the varying requirements imposed on it. Some of the most important he listed as follows: (1) The organizational structure should be divided into the smallest numbers of levels consistent with effective distribution of authority and responsibility; (2) subdivision of activities should proceed to the point where specific duties are commensurate with the capacities of those engaged in their performance; (3) the power of decision should be placed as closely as possible to the point where action originates; (4) reliance should be based primarily on individual action and authority and group action and authority should be resorted to only where clearly required for purposes of coordination; (5) detailed information should be converted as rapidly as possible into control information as it moves upward through successive organizational levels; (6) the ultimate design of organizational structure should invariably bring to expression definite distinctions among the major levels of administrative, managerial and operative performance.

### F. E. Huston Goes with Shenandoah Life

(CONTINUED FROM PAGE 3)

the Institute of Actuaries and the Actuarial Society of America.

For four years he was with Northern Life of Seattle, being in charge of the actuarial department under the actuary's supervision, with particular emphasis on annual statement work, calculation of premium rates and values, and rating of substandard risks.

He then served eight years with the Washington insurance department as actuary as well as chief examiner and then deputy.

As secretary and actuary of the American Life Convention since 1938, Mr. Huston has compiled information of current interest to member companies concerning various phases of the business, the investigation of special problems affecting the business, the handling of inquiries relating to company practices in the investment, underwriting, and actuarial fields, visiting member companies and insurance departments.

Mr. Huston was a member of the National Association of Insurance Commissioners' Guertin committee. He is a member of the A.L.C.'s blanks committee which in conjunction with a similar committee of the Life Association of America, has recently proposed a new form of annual statement. Mr. Huston also contributed much to the preparation of the tax plan that formed the basis of the 1942 federal income tax for life insurance companies.

Mr. Huston is now treasurer of the committee on C.S.O. monetary tables which was appointed by the two actuarial societies to compile and publish the necessary tables on the new C.S.O. mortality table proposed by the Guertin committee.

### NLRB Makes Decisions in Industrial Agents' Cases

WASHINGTON—National labor-relations board has dismissed petition of Industrial & Ordinary Insurance Agents Council, AFL, for investigation and certification of representatives of employees of Colonial Life of Jersey City, N. J.

On the other hand, NLRB has ordered an election by secret ballot held within 30 days among industrial agents working out of the district offices in Maryland of National Life & Accident to determine whether or not they desire to be represented by Industrial & Ordinary Insurance Agents Union 21623, AFL, for purposes of collective bargaining.

Decision in this case follows a hearing in Baltimore Aug. 14. NLRB found National L. & A. refused recognition to the union as exclusive bargaining agent for its employees until the union is certified by the board. The union claimed as appropriate a state-wide unit of industrial agents working out of the Maryland office. The union presented seven membership applications out of 16 employees in the unit approved by NLRB as appropriate. The company took no position as to the appropriateness of unit.

In the Colonial Life case NLRB announced that in an election held among company employees no collective bargaining representative was selected. Of 61 valid votes cast, 22 were for the AFL Industrial & Ordinary Insurance Agents Council, two for United Office & Professional Workers of America, CIO, 37 for neither organization, and two ballots were challenged. No objections were filed by anybody concerned within the time limit provided.



### Headquarters for Wartime Conferences

"Streamlined" conferences are welcomed at The Waldorf-Astoria. They are accorded the same diligent cooperation and staff assistance that made this hotel the convention center when occasions were more elaborate. Wartime regulations and restrictions are being obeyed, but there is no ceiling on friendliness.

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Supreme Secretary

Port Huron, Michigan



## Insurance Public Relations at Stake

(CONTINUED FROM PAGE 4)

employees than for the higher compensated group.

Plans should be established with a view to permanency.

Plans should be established so as to be acceptable to stockholders during low tax eras as well as high tax periods.

A plan which does not have these features at its inception should have a flexible design and flexible financing vehicles so that it may be simple to amend in a way that will, at the time of amendment, not disturb labor relations.

### High Benefits Costly After War

Mr. Goldstein said it is obvious that high benefits mean high costs both now and in the future. Therefore, a plan which proposes liberal pension, death or severance benefits may find these too costly in the post war period. Such plans should reduce their benefits to a point where the employer has every reason to believe he will be able to carry the cost in the post war era.

A plan should start with more modest benefits if there is any reasonable doubt in the employer's mind as to his ability to carry its cost after the war, since it is difficult to decrease benefits once established.

Many plans have been established which include as few as 1% to 4% of the total number of employees in an organization—essentially the more highly compensated employees. A study by Pension Planning Company of three limited coverage plans disclosed that out of all employees with these companies 15 years or more, only one out of six of such employees were included in the employee pension system and five out of six were excluded. Consequently these five out of six employees received no benefits from the company's plan, even though they had served the employer 15 or more years.

### Danger in Discrimination

Some plans provide that the more highly compensated employees receive relatively different benefits than the lower compensated employees. The lower compensated employees may receive little, or no death benefits and little or no vested benefits in the event of severance of employment, even after long periods of service. By contrast, the higher paid employees receive larger death benefits and more liberal vesting provisions in the event of severance of employment. Even as to the pension benefits at retirement, many plans have differentiated between the lower and higher compensation groups. He stated the lower compensated employees are becoming alert to this problem and many are analyzing the pension systems of their employer companies to see whether the lower paid employees are receiving identical benefits to the higher paid members. Consequently, one of the important points for management to consider is whether such plans might contain within them the seeds of labor discontent.

### Must Meet Permanency Test

By making all benefits modest and the financing method flexible, the employer is better able to continue the plan in bad business years as well as in good years. The designing of a plan so as to produce permanency is not only essential from the labor relations standpoint but it is also a necessary ingredient to satisfy the Treasury department on its test of permanency and in connection with its most recent ruling regarding plans which terminate within the first ten years of establishment. Plans conceived under the spell of the temporarily high excess profits tax deductions and the freezing by wage stabilization of wage increases and bonus payments should be reviewed with the view of placing them in a position of permanency in the post-war era.

A plan conceived during a period

when it costs the stockholder only 20c on the dollar, after tax deductions, should likewise be analyzed as to its likelihood of permanency during the period of probably 60c dollars after a corporate post-war tax of perhaps only 40%. It may be one thing to spend 20c dollars and quite another thing to spend 60c stockholder dollars.

### Flexibility Is Desirable

The nature of the financing vehicle chosen for the plan should be flexible enough to enable the corporation to put in the maximum deductions permitted under the tax law in its good business years and, at the same time, to hold its normal cost to a modest level in its normal business years. In most cases the employer may find that the high fixed annual premiums of the typical retirement annuity policy plan do not fit. A better plan would be a combination of a lower annual premium commitment in the form of ordinary life policy premiums combined with a self-administered pension system, invested in prime securities such as U. S. government bonds.

This does not mean employees will not receive full benefits upon retirement, severance of employment, or death. It

does mean the plan is so flexible in design as to permit fluctuations in employer contributions and, at the same time, give the employees the full benefits to which they are entitled under the plan.

### Providing for Amendment

If an employer, for his own good business reasons, decides to establish a plan that does not meet the standards stated, he should have in mind in advance the method by which it will be possible for him to amend the plan should he find it desirable or necessary to do so. If he has a plan of limited employee coverage, for instance, he should endeavor to design it in such a way it will be automatically possible to extend the plan to a broader coverage for his employees. Consequently, if this original limited coverage plan is designed merely to cover a limited coverage group and an employer knows in advance such a plan would hardly fit the broader coverage of his employees, then this in itself is a danger signal to the employer to endeavor to redesign his limited coverage plan so as to make it more readily possible to amend it later.

S. P. Davis, Phoenix Mutual, introduced Mr. Goldstein. The next speaker will be Leon Gilbert Simon, well known speaker, author and producer. R. L. Campbell, New York Life, president, presided.

## No Action on States Rights Bill

(CONTINUED FROM PAGE 3)

and expanding government power under the anti-trust statutes."

Directing attention to a long-time judicial policy, the chamber says:

### Doctrine of Stare Decisis

"For a great many years the courts have recognized the doctrine of stare decisis, defined as 'to abide by or adhere to decided cases or to abide by former precedents.' Many now feel that both the Attorney General and the Supreme Court have thrown aside this doctrine which enabled business to rely on existing law.

"It is apparent by the action of the House and the Senate judiciary committee on the insurance bill that Congress does not relish any encroachment on its powers by the Justice Department. The Supreme Court's decision specifying that the business of insurance is commerce did not change the expression of the congressional intent that the regulation of insurance that has existed for more than 75 years should be left to the several states.

"State control of insurance is thereby sustained by the Senate judiciary committee as well as the House in the face of opposition of both the Attorney General and the Supreme Court.

"The Supreme Court's decision threw state insurance regulation into turmoil due to the fact that without remedial legislation the long-established regulatory and taxing powers of the states would be partially destroyed."

The Chamber recalls that state commissioners have given attention to the situation for nearly a year and that Commissioner Harrington informed judiciary committee members of the N. A. I. C. program. It adds that the commissioners' meeting in Chicago with industry representatives "will set forth the multiplicity of problems raised by the Supreme Court's decision that affect the business of insurance and its present regulations."

### Benefits All Business

After briefly summarizing the N. A. I. C. program, the chamber says that "if Congress' action in the insurance case is indicative of a trend for preservation of the existing law, all business will be benefited."

Insurance observers here expect the Chicago meeting of state commissioners and industry representatives will give

duced in Congress after election, designed as a substitute for or amendatory of the Walter bill.

Meanwhile, it is reported, stock fire interests think the latter measure will pass, perhaps with amendments suggested by the commissioners or others interested.

### Biddle and Fahy Act

Attorney General Biddle and Solicitor General Fahy filed with the Supreme Court a memorandum opposing the S.E.U.A. petition for rehearing.

Referring to the S.E.U.A. adverting to the District of Columbia fire rating law, the memorandum calls attention that it provides that no agreements, by-laws, rules, regulations, rates, premiums, schedules or rating methods of the bureau shall be effective until approved by the superintendent of insurance here.

Further, that the bureau companies must conform to requirements approved by the superintendent and that deviations will be permitted when filed with the bureau and superintendent and approved by the latter.

### Not Inconsistent with Anti-Trust Law

These provisions, the government memorandum says, show that the D. C. act does not manifest intent of Congress inconsistent with the anti-trust law on which the court decision was based, "for nothing in the decision or in the government's argument suggested that the establishment of a cooperative rating bureau which could not establish rates without the prior approval of public authority violated the Sherman act."

"The District of Columbia act thus does not show that Congress favors concerted action in the insurance business of the sort involved in the instant cases.

"On the contrary, the particular act indicates an unwillingness to permit the insurance companies to regulate themselves."

North Carolina has filed a brief asking that the S.E.U.A. case be reheard



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and it is understood that the state of Washington will do likewise within a few days. These two states will bring the total states supporting the rehearing to 41.

### Georgia Official Author

According to the report here, the attorney-general of Georgia prepared the brief of the 38 state attorneys general in support of the rehearing petition, as he is reported to have done in the case of the attorneys general brief in the original case before it was decided by the Supreme Court.

Government lawyers were interested to note the signature of West Virginia to the latest brief. This indicates to them disagreement between the insurance commissioner of that state and its attorney general. The former is said to have taken the position that insurance is interstate commerce and subject to the anti-trust law, and his assistant appeared before the Senate judiciary committee a number of months ago in opposition to the Bailey-Walter bill.

The bill drafted by California's Commissioner Garrison is regarded in anti-Walter bill circles as a satisfactory substitute. The Garrison bill is reported to cover the ideas of Senator O'Mahoney, leading foe of the Walter bill. He is understood to have conferred with Garrison during the drafting process and it is reported O'Mahoney would be disposed to accept the Garrison proposal if necessary to beat the Walter bill.

### Opposition Is Voiced

However, it is reported the group behind the Walter bill will have none of the Garrison project. It wants to pass the Walter bill "as is" before feelings aroused by the court decision have a chance to cool off, it is said.

It is the department of Justice view that a majority of the whole court membership held with the government on the constitutional question that insurance comes under the commerce clause, though Justice Jackson apparently did not like the idea of it coming under the anti-trust laws.

It is the Department of Justice view when cases cited to support the contention that constitutional questions should be decided only by a majority of the full court membership were under consideration by the court, there was either a vacancy on that body or members were absent due to illness. Therefore, the argument for rehearing is declared in government circles as fallacious.

Neither condition existed in the S.E.U.A. case from which Roberts and Reed withdrew. It is pointed out, Roberts withdrew also from the Polish National Alliance case, and government lawyers do not believe he will participate in considering the S.E.U.A. rehearing petition. They are not quite so sure about Reed, recognizing that, according to report, his position is different now from what it was when arguments were heard in the S.E.U.A. case. Then his son was a member of the Cahill law firm representing the insurance interests. More recently, however, young Reed has moved over to another New York law firm. According to information here, however, government people say they don't believe Reed would "switch" his position on participation in the S.E.U.A. case on that basis at the present time.

## Reinstatement of Service Men

(CONTINUED FROM PAGE 4)

Any home office employee who has left a position which was not temporary is entitled to be reinstated if he presents a certificate showing satisfactory completion of military service and if he is still qualified to perform the duties of the job and if he makes application for reemployment within 40 days after discharge. The employer must restore the old job or one of like seniority, status and pay unless circumstances have so changed as to make this impossible or unreasonable. All returning employees are considered as having been on furlough or leave of absence. They are entitled to receive insurance and other benefits available to others on leave of absence. Lastly, they may not be discharged for one year without cause.

Reemployment rights are not available if the position vacated was temporary. In determining whether a position was temporary or permanent every case must be decided on its particular facts and circumstances according to a memorandum issued by the director of selective service.

Generally speaking, a person occupying a job made vacant by military service is a temporary employee, Mr. Jacobson pointed out. "He has no rights to de-

mand reemployment if he later enters service. But if a permanent employee was upgraded to fill the vacancy and then entered service both employees are entitled to their original permanent position." It is entirely possible that if the original possessor of the permanent job does not return, the person holding that job next in line can claim it.

Ordinarily, employment in a job for a fixed and definite period is temporary, but repeated extensions may make it permanent. This question should be relatively easy for the insurance companies to answer as their classifications of jobs to particular service have been standardized.

In determining whether the employee is still qualified to perform the duties of the job, selective service says it is a question of fact to be determined by common sense and experience. Arbitrary or unreasonable standards must be avoided. The question is: "Can the veteran do his job in the manner in which he did it before he left?" In cases of doubt the employee is entitled to a chance to show that he can.

The requirements for the job when the employee entered service must be used as the standard. If a particular position has been up-graded out of the employee's reach, he is entitled to a job requiring comparable skill and equal advantages to the one he left.

Service casualties are affected most of all by the qualification requirement, Mr. Jacobson observed. In some cases, disability will be obvious and in others it will not. Tolerance and leniency will be the command of the day in determining the effect of disability.

### Must Apply Within 40 Days

Application for reemployment within the 40-day period is mandatory and the employer cannot actually extend the period although he may voluntarily agree to rehire the veteran notwithstanding its expiration. There will be some complications in this regard in cases of disabled employees where further convalescence is desirable and where employees desire schooling under the G. I. bill of right.

According to selective service the right of reinstatement means the right to demand the old job, even though a non-veteran having greater seniority must be discharged. Seniority accumulates during absence just as if the military service had never intervened. Benefits which flow from seniority must be given to the veteran, including salary increases. Usually, however, except for automatic raises, seniority is just one of the factors involved in voluntary pay increases.

Offering a former employee a job of like status implies that the responsibility, privileges, and perhaps prestige, of the new position must be the same as the old. The new job must also offer like pay. The difficulty of computing like pay is greatest with salaried employees as the question arises on how much the veteran would have earned in increases if he had not entered service. To what extent should special increases based upon military service be recognized? Mr. Jacobson asked.

### PAY RATE VIEWED

It has been suggested that like pay is the rate for the job when the veteran is rehired rather than the rate when he entered service, Mr. Jacobson pointed out. Salaries should be fixed which allow for the employee's ability in the past and take into account the current trend of wages and salaries in the employer's business. The best possible solution of these difficult questions is to restore the employee to his old job whenever possible. If the employee has acquired increased aptitudes, opportunity for their use may be given later. The question of whether another job has equivalent advantages in seniority, status and pay is a delicate one. It must be solved by the application of common sense and good judgment.

As the rehired employee is immune from discharge except for cause within

## Drops Insurance So Wife Seeks Divorce

MEMPHIS — Asked to tell Chancellor Bejach in what way she considered that her husband had failed to support her, a Negro divorce complainant said earnestly: "Well, he dropped his life insurance and I figured that was non-support."

one year the question arises concerning what cause justifies discharge. Selective service says standards of common sense and practices and customs of the industry and place of employment should be used. Refusal or failure to perform delegated tasks will of course justify discharge.

### Exceptions Are Considered

Failure to rehire eligible servicemen is excused only if the employer's circumstances have so changed as to make it impossible or unreasonable. Facts and circumstances in each case must be considered. The fact that a particular job has been abolished will not excuse the employer if another job is available. Nor will the fact that a replacement has been found who is more competent or less expensive be an acceptable excuse. It is predictable that the courts will not permit veterans' reemployment rights to be destroyed by barriers of personal choice or convenience, Mr. Jacobson emphasized.

Mr. Jacobson predicted that instinctive habits of fair play and considered treatment by insurance companies will make it certain that home office employees will get more than the mere fundamentals of the law. Reemployment will be accomplished in a spirit of friendliness that will assure happy association for many years to come.

## READJUSTMENT

The problem of readjustment of servicemen and women is far greater than the problem of getting the old job back, Mr. Jacobson observed. Of those discharged so far, less than 25% have gone back to their old jobs.

The G. I. bill of rights provides for those who have never been employed previously to entering army service or those who were self employed, and the disabled. Provisions relating to education are of real interest to veterans and employers. Employers are coming to realize that an employee should be encouraged to accept these benefits as new aptitudes of returning servicemen can be further improved by education.

### Three Million Independents

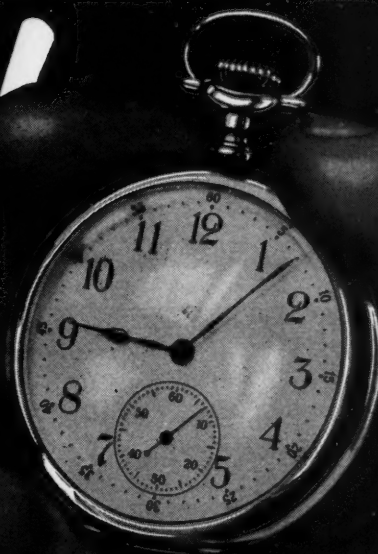
The Department of Commerce predicts that three million veterans may enter business for themselves, taking advantage of the liberal loan provisions of the G. I. bill of rights. The bill has specific provisions designed to bring about the fullest possible employment of veterans. A veterans placement service board is provided. Recognizing that there will be some unemployment among returned veterans, discharge allowances are provided. Employers should be thoroughly familiar with all the provisions of the G. I. bill of rights as it represents a comprehensive effort of the government to contribute its aid and assistance to veterans becoming readjusted to civilian life. Neither this act or the selective service law can solve the readjustment problem without the active and determined support of all employers. Mr. Jacobson predicted that there need be no fear that insurance companies will do more than their share in reestablishing the veterans in civil life.

### Many Policies on Women, Children

M. A. Hyde, vice-president of Security Mutual Life of Nebraska, reports that in August 51% of all new business written was on adult women and children, with sales divided almost equally between the two classifications.



# Time:



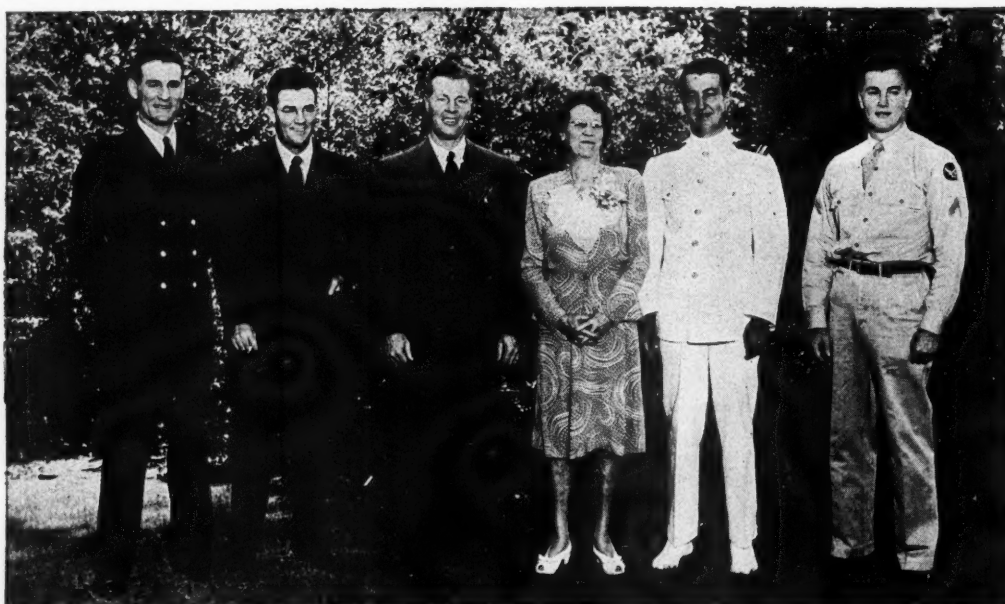
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# Stories from **EQUITABLE** Life



## ALL SUBSTANTIALLY INSURED

Prominent on our steadily growing roster of 100% Equitized family units is the SILL FAMILY of Bakersfield, Cal., pictured above. We are proud to present Mrs. Catherine Sill and her five stalwart sons: (from left to right): John B., a Lieutenant in the Coast Guard, stationed in New York, Benjamin N. and William M., who contribute in a major way to the war effort by operating the extensive farm lands belonging to the family; Charles LeRoy, a Lieutenant (j.g.) in the Navy, at San Diego, and Francis S., now a Sergeant in the Air Corps at Minter Field, California. Mrs. Sill (whose husband passed away some years ago) and her sons are all Equitable policyholders insured for substantial amounts, and are the clients of Fred M. Furniss of the Kel-

logg Van Winkle Agency, Los Angeles. The family is incorporated as the "Sill Properties Company," and besides their extensive agricultural and oil interests throughout Kern County, they own one of the most modern office buildings in Bakersfield. Their farm land, covering more than 1,000 acres, has so far in 1944 produced more than 200 carloads of potatoes and 400 tons of apricots, and another bounteous crop is looked for before the year's end.

By their various interests and occupations the Sill Family fittingly exemplify the American way of life, and it is a privilege, indeed, to include them in the membership of the Equitable.

## THE EQUITABLE LIFE ASSURANCE SOCIETY of the United States

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Thomas I. Parkinson, President